

EXTENSIONS OF REMARKS

HUNTINGTON HIGH SCHOOL
CHOIR TO SING IN BELGIUM

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. AMBRO. Mr. Speaker, on Monday, April 28, 80 members of the Huntington High School Choir will leave New York for Europe in order to participate in the Neerpelt, Belgium, International Choral Festival. Under the superb direction of Mr. Andrew Housholder, the choir was one of only three such American groups chosen to participate in this international music festival, which has taken place in a small town in Belgium for more than a quarter of a century. A total of 40 choirs from all over the world will participate in this year's program, which will take place during the week of May 1.

The choice of the Huntington High School Choir to corepresent the United States in this prestigious international music event comes as no surprise to those living in the Long Island area who have been fortunate enough to attend any of its concerts. While students have come and gone, the quality and enthusiasm of the ensemble have remained on the highest plain, leading to its reputation as one of the finest such groups in the Nation, and in the world. With Mr. Housholder at the helm, Huntington High School choral groups have performed for the New York State Music Convention, three times earned the top ratings at the highest level of music in the New York State festivals, sung for the Music Educators National Conference Eastern Convention, made several recordings, and performed numerous times at many school and community events. This past April, the choir performed at St. Patrick's Cathedral in New York City.

This coming trip to Belgium is the fourth such international tour made by Huntington High School choruses to participate in music competitions. During the Neerpelt Festival, they will be required to sing six individual competing pieces of music, including an original Belgian composition. The program that they will perform is versatile enough to include "Ave Maria," "Stomp Your Foot" by Aaron Copland, several spirituals, Psalm 100, and other pieces of folk and inspirational music.

An interesting and moving sidelight of the choir's participation was the students' decision to dedicate their performance to the late Capt. Roy Westerfield. Captain Westerfield was former music teacher in Huntington

High School who was tragically killed in an accident on February 6, 1980, while serving as a pilot in the U.S. Air Force. For the students of the Huntington High School Choir, the memory of their former instructor will serve to add special and deeper meaning to their participation in the Neerpelt Festival.

Mr. Speaker, the fine young people who make up the Huntington High School Choir are very proud to be representing their community and their Nation in this international event. They have asked me, as their representative in the U.S. Congress, to convey greetings to their gracious Belgian hosts. I know that my colleagues in this House of Representatives will join with me this afternoon in saluting our friends in Neerpelt, Belgium, for their interest in music and in the youth of the world and for their sponsorship of this choral festival which exemplifies the very best elements of both. For this, and for their steadfast and continued friendship, we thank them.

Now, I would like to call the attention of my colleagues to all of those who will be participating in the 1980 Neerpelt Belgium International Choral Festival:

STUDENTS

Fay Balm, Martha Berti, Jenifer Borum, Walter Bowler, Mark Boyle, Janice Brophy, Kathy Burroughs, Jim Cahill, Fred Cambria, Danielle Campbell, Diane Castrogiovanni, Liz Coronato.

Glen Dahl, Greg Deger, Anne Dezendorf, George Drance, David Elliott, Jayne Fanta, Steven Firenze, Colleen Fitzpatrick, Cindy Flood, Doug Frisby.

Joan Gelberg, Marianne Gellert, Lori Ghidella, Marian Gilbert, Lorraine Giunta, Nora Gould, Cindy-Jo Gross, Russ Harper, Denise Head, Jeannine Hom, Karen Hultmark.

Dale Jacobs, Patricia Jacques, Kevin Jenkins, Theresa Jenkins, Jennifer Kelly, Marjorie Kelvin, Dana Kissinger, Molly Krumholz, Debbie Kruter, Diane Lannon, Joseph Lee, Danny Lejeune, Pamela Levy, Andy Lipnick, John Lundstrom.

Katie Maloney, Katherine Maul, Marie McDermott, Paul McDermott, Leslie Miller, Greg Milo, Susan Miner, Wendy Moorhouse, Lisa Peschel, Diane Pfadenhauer, Allison Plaser.

Barbara Fletcher, Michael Rubin, Karen Saenger, Edie Schuster, Rebecca Sielman, Mark Smith, Tom Spillsbury, Kathy Staib, John Stattel, Philip Stattel.

Barbara Tatz, Colby Thomas, John Turner, Steve Vaccaro, Pat Van Bladel, Lysa Weiss, Steven Weiss, Kathy Welch, Kristen White, Marshall Wood, Greg Wurtz.

CHAPERONES

Andrew Housholder, Choir Director, Mrs. Sandra Miner, Accompanist, Jack Shaw, Mrs. Elaine Panik, Mrs. Tsjetska Moorhouse, Mrs. Mary Schuster.

To all of you, "Bon Voyage," and best wishes.●

GENERAL REVENUE SHARING
PROGRAM

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FOUNTAIN. Mr. Speaker, at the request of the administration, I have today introduced a bill titled the "Local Government Fiscal Assistance Amendments of 1980." The President transmitted this bill to the Congress last Wednesday afternoon as the administration's proposal for renewal of the general revenue sharing program which is presently authorized through fiscal year 1980.

The Intergovernmental Relations and Human Resources Subcommittee, which I chair, took testimony the following morning from Treasury Secretary Miller on the administration's bill. In view of the need of State and local governments to plan their budgets beyond September 30, 1980, it is my intention to expedite subcommittee consideration of the various proposals for extending and amending this important legislation. The subcommittee, as well as the full Government Operations Committee, will deal with this legislation as quickly as is possible, given the fact that much of the information needed to evaluate the formula changes that have been proposed is not yet available.●

WASTEFUL YEAR-END
SPENDING SPREES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. HARRIS. Mr. Speaker, as chairman of the House Civil Service Subcommittee on Human Resources, I have been conducting a major investigation into wasteful Federal contracting and year-end spending abuses. The subcommittee's probe has revealed that millions, perhaps billions, of taxpayers' dollars are wasted on unnecessary projects and purchases during the last 2 months of the fiscal year. In fiscal year 1979, seven major Federal agencies spent more than 20 percent of their single year appropriations in the last 2 months of the fiscal year—HUD spent 47.2 percent, EPA spent 41.7 percent, Commerce spent 30.3 percent, HEW spent 22.9 percent, Interior spent 23.1 percent, Postal Service

spent 22.1 percent, DOT spent 22.8 percent.

I feel strongly that direct congressional action must be taken to stop the year-end spending spree. I have introduced legislation (H.R. 4717) to limit year-end spending to 20 percent of an agency's annual appropriation and it was approved by the House Post Office and Civil Service Committee last December. The bill is now pending before the House Government Operations Committee and I am hopeful it will be considered by the full House in late spring or early summer. I also plan to offer a year-end spending amendment to the fiscal year 1981 budget resolution when it is considered by the full House later this month. Congress must plug this loophole which allows uncontrolled Federal spending to continue.

I would like to share with my colleagues an editorial that ran in the Free Lance-Star in Fredericksburg, Va., on April 12, 1980, in support of my efforts to eliminate wasteful Federal contracting and stop year-end spending sprees by Federal agencies:

[The Free Lance-Star, Apr. 12, 1980]

BELTWAY BANDITS

Anyone who thinks federal spending is down to the barebones level ought to take a look at Rep. Herbert Harris's probe of Washington's private consultants.

The most frightening news from the Fairfax County Democrat's months-long assault on the "hidden government" is that we don't know how much taxpayers' money is going to private firms hired to assist public employees.

In a recent study requested by Mr. Harris, the General Accounting Office estimated the federal government is spending between \$1 billion and \$2 billion a year on consulting services that are often unneeded or ignored. The GAO cautioned, however, that "this cost . . . may be substantially understated" because agencies do not agree on the definition of a consultant. Mr. Harris thinks the annual figure may be over \$5 billion.

Of the money that is accounted for, the GAO study uncovered a panorama of waste that would turn the most avid government booster into a cynic.

The Office of Education paid private consultants \$71,425 to determine crucial issues in post-secondary education. Prior to the award of the contract, the office's own task force had identified such issues, but officials felt a "system" of identification was needed. The consultant's end product turned out to be of such poor quality that it was disregarded.

The Department of Transportation awarded a \$94,250 contract for the study and overall assessment of current programs and the development of new programs concerning industry. In performing the study, the contractor revised the questions, expanding them considerably. Those modifications increased the contract amount by \$210,183.

Such horror stories should not necessarily be taken as the rule in Washington. Consultants bring a technical knowledge and independent judgment that in-house government employees often lack.

But the efforts of Rep. Harris and Sen. David Pryor, an Arkansas Democrat, have shown that at least some consultants have exploited their relationship with the government in a way that has earned them the

title of Beltway Bandits—a reference to the clustering of these private firms in a suburban ring around Washington.

The investigations and hearings already completed have prompted the Carter administration to decree a 15 percent across-the-board slash in funds available for the hiring of consultants. But much more needs to be done.

Mr. Harris plans to introduce several measures this year aimed at tightening the procedure for using consultants, and consolidating information to avoid wasteful overlap. He also has proposed a bill that would limit year-end spending to 20 percent of an agency's annual appropriation. The GAO study of selected federal agencies found that 54 percent of the consultant contracts for the year were awarded in the last 90 days of the fiscal year, just before the authorization for such spending would have expired.

For too long, budget-cutting in Washington has been a political football between conservatives with a meat-ax approach and liberals who have accorded too many programs the status of sacred cows. Mr. Harris's efforts demonstrate how the Congress can be responsive to taxpayers' calls for less government spending, without sacrificing the heart of needed programs. ●

HONDA DEDICATES FIRST AMERICAN FACTORY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BROWN of Ohio. Mr. Speaker, I am very pleased to have the opportunity to draw to the attention of my colleagues in the Congress a significant event which occurred in Marysville, Ohio, located in the Seventh Ohio District, and in which I had the pleasure to participate. On Friday, April 18, 1980, Honda of America Mfg., Inc., officially dedicated its first American motorcycle manufacturing plant.

As far back as 1974, Honda Motor Co., Ltd., started planning for the manufacture of its products in this country, which included many feasibility studies on literally hundreds of different factors. A decision of this magnitude required Honda planners to study every aspect. Among the most important considerations were: The availability of industrious workers; a reasonable proximity to suppliers; transportation—rail, highway and air; and the appropriate land.

As the result of years of review and analysis, an announcement of the plant site location was made on October 11, 1977. The State chosen was Ohio, and the exact location, a 214-acre new site near Marysville, some 30 miles northwest of Columbus.

On April 3, 1978, a ground-breaking ceremony was held at the plant site; and construction was soon started. In June of 1979, the new plant offices were opened; and on September 10, 1979, the first Honda CR250R motorcycle came off the assembly line. Dedication ceremonies were cohosted on April 18, 1980, by Kiyoshi Kawashima,

president of Honda Motor Co., Ltd., and Kazuo Nakagawa, president of Honda of America Mfg., Inc.

As of today, the plant is turning out two Honda motorcycle models—the popular SR250R and the unique 6-cylinder 1047cc CBX Super Sport. The 258,000-square-foot motorcycle plant, for which Honda invested \$35 million, has the capacity to produce 60,000 units annually for sale in the United States and abroad, with room for enlarging the facility considerably in future years. In addition, it is contemplated that Honda will expand the motorcycle models produced at the Marysville plant.

Currently, Honda of America Mfg., Inc., employs a total of 140 people. It is anticipated that there will be 300 employees by the end of 1980. The operation at the Marysville plant is not simply an assembly line for products. Many parts in these two Honda motorcycle models are injection molded, welded, and painted in-house. Also, as American suppliers are obtained, the percentage of local procurement will be increased.

Careful monitoring of the quality standards since the initial startup date has proven to the staff at Honda that the U.S.-built products are indeed equal in quality to those imported from Japan.

American Honda's investment in Marysville represents a strong vote of confidence in that community and its residents and in Ohio's economic climate. This, in itself, is a significant achievement of which I believe we can all be proud.

The success which American Honda has encountered in its motorcycle production in Marysville has prompted the company to expand its operations to include the manufacturing of automobiles, as well as motorcycles. Honda is planning to start construction of an automobile plant adjacent to the present facility by the end of this year. Honda automobile production could start approximately 2 years after breaking ground for this new plant. It is projected that this new Honda automobile plant will have a capacity of 10,000 cars per month once manufacturing is underway. This will require 2,000 employees and represent a total investment of \$200 million.

American Honda's past and projected investments in Marysville represent yet another significant achievement which also merits recognition, particularly in these times when we are again hearing talk of imposing import controls or drastic sanctions on Japanese auto imports. That is, the cooperative good will demonstrated between Japan and our Nation to solve our problems without having to resort to restrictive legislation that I fear we would all live to regret.

The need to encourage the location of foreign manufacturing plants, particularly Japanese automakers, and to require the use of a larger percentage of U.S. parts was emphasized recently by UAW President Douglas A. Fraser

in testimony before the Joint Economic Committee. I am convinced that alternatives to import controls would protect and promote American jobs while providing fairness to both American and Japanese automobile producers.

We all realize that Japanese investments here translate into jobs for those employed at these facilities, such as the motorcycle plant dedicated at Marysville and the automobile plant now on the drawing boards. But the impact reverberates even further—both in the jobs created at American companies which supply parts for these vehicles and the long-term economic growth which these investments generate.

As we are learning, strong cooperative efforts like this can produce positive effects on both sides of the Pacific and present a most convincing argument for worldwide peace.

I was most happy to join with the citizens of Marysville and Union County in extending a hearty welcome to American Honda. We appreciate their willingness to invest in this community and are proud that Marysville has been able to prove that their decision was worthwhile.●

FROM MARX TO LAFFER

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LaFALCE. Mr. Speaker, economists from left to right, or, in other words, from Marx to Laffer, construct marvelous models and detailed explanations for every vagary and fact. Large-scale computer studies are done, and predictions of results are confidently offered. More is less; less is more; and there is a fiscal free lunch. Do these all sound familiar? They should, because they have all been recently given as sure-fire ways to escape from our current economic problems.

There is only one drawback to all of these economic theories; their connection to reality is often purely coincidental. George W. Ball, former Under Secretary of State, reflected on that sorry state of affairs in a penetrating and amusing article in the April 7 edition of the Washington Post, entitled "An Overdose of Economists." I believe that many of my colleagues share Mr. Ball's disillusionment.

The article follows:

AN OVERDOSE OF ECONOMISTS

In this season of apostasy, the high priests of economics face a bitter challenge. As soothsayers they have lamentably failed, showing themselves quite as fallible as the Greek oracles or the readers of sheep's entrails. As practitioners, their cures have often proved worse than the disease.

During the long period of sustained innocence that lasted through the '50s and '60s, we basked in the happy conviction that economics was a developed science. The revered

prophet, John Maynard Keynes, had taught that we could, by careful demand management, render business cycles as flat as a desert highway, so that, by keeping the faith, we might look forward to a long future of steady economic growth. Economists were, they assured us, on the verge of mastering man's economic ills just as the medical doctors were mastering disease. We assumed, in other words, that economics had reached a level of advancement roughly equivalent to the sulfanilamide age in medicine.

No wonder we were shocked when we found that the state of economic science more nearly paralleled Dr. Harvey's discovery of the circulation of blood. To be sure, that disturbing insight has not stopped the production of new economists; doctoral candidates are still filling thousands of pages with opaque formulas and devising elaborate charts that strikingly resemble a phrenologist's schematic drawing of the human cranium. But honest practitioners no longer try to hide their dubiety; many are quite frankly resorting to leeches and poultices.

At the moment, the doctors are prescribing protracted bleeding in the hope of curing the American economy of the high fever of inflation, but, as is traditional with doctors, they stridently disagree. In some quarters there is a great vogue for Dr. Milton Friedman, who is busy prescribing not only for Ronald Reagan but also for Margaret Thatcher. I am grateful to Friedman, for it was he who in the fall of 1974 reassured me that I need not worry about high oil prices, since inflation would render them nugatory while OPEC would promptly fall apart. Today, he is as single-minded as a naprapath. Naprapathy holds that human disease can be cured by adjusting the ligaments; Dr. Friedman would cure the economic dislocations by regulating the money supply.

New healers are consistently emerging, such as the young Dr. Laffer, who asserts that we could painlessly cure our ills by cutting taxes—a remedy enthusiastically echoed by any number of lay practitioners. But some, like the venerable Dr. Hayek, sturdily adhere to the true faith of Adam Smith, refusing, like the legendary medieval priest, to change his mumpsimus for the new-fangled sumpsimus. Finally, a zealous core of true believers still fall back on the time-proven quackery of Dr. Karl Marx.

Disagreement persists even as to the most fundamental issues; thus economic model builders vie with their more classical confreres just as the ancient School of Cnidos, which concentrated on symptoms from the patient, was disputed by the School of Hippocrates, which studied causes and held that disease was the improper balancing of blood, phlegm, yellow bile and black bile.

To an ancient like myself who was in Washington early in the New Deal, all this resembles the orgy of theorizing and experimentation practiced on the American economy by President Roosevelt's changing stable of Ph. Ds. No one knew what nostrums, if any, would work, but that did not discourage us from trying. Today, the American public is playing the same guinea pig role as in the 1930s.

Though I have no special brand of snake oil to offer, I have faith that our economy is sufficiently robust to survive. Yet, I cannot forget the infant Louis XV who, after contracting small pox, was saved from death only because his nurse hid him from the ministrations of the doctors whose vigorous attentions killed both his brother and his father. For Americans there is no place to hide, nor, unlike medical doctors, can economists even be sued for malpractice.

No wonder that the patient citizen is worried, baffled and frustrated by the different

advice and indifferent results of economists who are equally worried, baffled and frustrated. We are still decades away from economic antibiotics.

Humility is, however, the first requisite to understanding, and it is comforting to discover economists who are at least privately admitting that they no longer have full confidence in their own omniscience. It is a good sign and the beginning of wisdom. They would do well to recall the famous comment of that distinguished medical doctor, the senior Oliver Wendell Holmes: "If the whole *materia medica*, as now used, could be sunk to the bottom of the sea, it would be all the better for mankind—and all the worse for the fishes." Unfortunately, Holmes's prescription could never be applied to our economic text books: it would violate the Clean Water Act.●

THE IRRELEVANCE OF FORCE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. STARK. Mr. Speaker, our drive toward increased military spending brings to mind the politician who cried, "Yesterday, we stood on the edge of a precipice. Today, thanks to our efforts, we have taken a step forward."

Sandy Gottlieb, executive director of New Directions—self-described as a "citizens' lobby for world security"—has written an essay on "The Irrelevance of Force," printed in the April 19 New York Times that a lot of my colleagues should read before they vote for big military spending increases.

Three powerful constraints on superpower use of military force are outlined by Gottlieb: "the worldwide availability of modern weapons, volatile nationalism, and the irrelevance of force in many international situations."

Throwing money at problems has not worked well in many areas of government. As Gottlieb points out, throwing money at our international security problems is the classic case of this syndrome.

The article follows:

THE IRRELEVANCE OF FORCE

(By Sanford Gottlieb)

WASHINGTON:—It is ironic that the national consensus in favor of increasing military spending has swelled at a time when the uses of military force by the superpowers are becoming more constrained.

Military force is clearly a major reality but three factors inhibit its use by the United States and Soviet Union in the post-Afghanistan era: the worldwide availability of modern weapons, volatile nationalism, and the irrelevance of force in many international situations.

The superpowers have amassed arsenals too huge for any rational purpose—15,000 hydrogen bombs and over 10,000 tactical nuclear weapons between them. In recognition of this, they have sought to avoid self-defeating nuclear war. However, even as the United States and the Soviet Union have run their arms race, other countries have acquired considerable military clout.

There are five acknowledged nuclear weapons states. India has exploded a nuclear device and Israel and South Africa are troubling question marks. Potential new members of the "nuclear club" are to be found mainly in the third world. Moreover, conventional arms have flowed steadily to developing countries as a result of \$64.5 billion worth of sales and grants by the superpowers from 1970 to 1978. Some of the more industrialized third-world nations have built their own war industries. Guerrillas, saboteurs and terrorists can at least harass, and sometimes paralyze, invading armies.

A 1977 Rand Corporation report for the Air Force notes: "By the 1980's, force as a political instrument in international relations may have become seriously constrained by the availability of cheap precision-guided weapons and even of nuclear weapons to countries that in the past could not have afforded effective defenses against great powers."

Even if they cannot win military victories, the bush leaguers may now have enough clout to frustrate the objectives of the big leaguers. The use of force, for example, to assure a supply of oil would almost certainly be counterproductive. It would generate the kind of conflict that would prevent oil from flowing to North America, Europe and Japan.

Under these circumstances, the superpowers must not only avoid a direct clash, but also ponder carefully the consequences of any further intervention in the third world, the arena of superpower competition.

Military hardware is only one of the constraints on the use of outside military force in the third world. Today, nationalism represents at least as powerful a deterrent. As Washington discovered in Vietnam and Moscow is learning in Afghanistan, nationalists who fiercely resist foreign domination can punish even the best-armed great powers. The Politburo has managed not only to squander Soviet lives and treasure in Afghanistan but also to antagonize the United States, alienate the nonaligned, enrage the Moslems, and embarrass Fidel Castro.

The temptation to forget this lesson may arise if and when a rapid-deployment force is in place. A future President may well be pressured to use the pre-positioned troops and arms not against the Russians but against a Middle East government or radical movement that is seen to be hostile to America interests. This could trigger a nationalist furor throughout the Moslem world.

We would do well to heed the wise counsel of the late Senator Richard Russell, in his 1968 reference to an earlier version of the rapid-deployment force: "If it is easy for us to go anywhere and do anything, we will always be going somewhere and doing something."

In many situations the use of armed force is irrelevant. The United States could not use it to free the hostages in Iran. The Soviet Union could not use it to deter China from invading Vietnam, to block the peace treaty between China and Japan, to oblige Rumania to accept a rise in military spending, to keep Pope John Paul II from reaching millions of the Polish faithful. In all of these cases, the superpowers were militarily powerless, unless prepared to pay very high costs.

Why, then, is there so little questioning of a system that enlarges bulging arsenals and, simultaneously, fuels inflation? Probably because so many Americans feel personally diminished by the loss of American dominance in the world and believe that more military hardware will restore our "strength." Yet, some of the key factors

that explain the erosion of the United States position—the decline of the dollar, price boosts by the Organization of Petroleum Exporting Countries, feeble productivity—have no military solutions.

The United States does have to maintain an overall military balance with the Soviet Union. But soaring military budgets may become the most classic example yet devised of throwing money at problems.●

GOVERNMENT SECRECY AGREEMENTS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ASPIN. Mr. Speaker, the secrecy agreements that all men and women must sign on being hired by the Central Intelligence Agency do not necessarily protect national secrets from compromise but may enable the intelligence community to ward off criticism and embarrassment—quite the reverse of what should be our intent.

It is my feeling that there is nothing wrong in principle with a secrecy agreement requiring prepublication review by the CIA of books and articles by current and former CIA employees. The problems arise from the recent Supreme Court decision in the *Snepp* case and from the way the Government is administering the secrecy agreements.

The current system certainly has the appearance, if not the reality, of being extremely capricious and arbitrary. It bears the appearance, if not the reality, of a device for going after the critics of the CIA while leaving the old boy network alone.

To give one example, the secrecy agreements require that all manuscripts by former employees be submitted for prepublication review. Many do not submit their manuscripts, but prosecution is very selective. Howard Hunt, a friend of the agency has not been prosecuted. Frank Snepp, a critic, has been. The Government is proceeding with the prosecution of John Stockwell; it is not with Cord Meyer or Tom Braden.

As I will explain, there are other problems with the secrecy agreements. But the main point is that we need legislation. Congress should resolve these issues, not the courts.

But before we can enact legislation, we need to have a better idea of where we are going. I do not have a bill to present today. I do not suggest that I have all the answers. But I think I have the crucial questions that society and Congress must answer. There are six such questions. Before addressing them, let me describe the *Snepp* case and the implications of the Supreme Court's decision.

THE SNEPP CASE

Frank Snepp joined the Central Intelligence Agency in 1968. He became

the agency's principal analyst of North Vietnamese political affairs. Snepp served two tours of duty with the CIA in Saigon and was one of the last to be evacuated in April 1975.

He resigned from the agency in 1976 and wrote "Decent Interval," a book very critical of the CIA's handling of the evacuation, which was published in 1977.

When Snepp went to work for the agency, he signed a secrecy agreement, in which he pledged to submit for prepublication review any writings based on information he learned while an employee of the agency. This standard CIA contract is open-ended and a condition of employment.

Snepp did not comply with his contractual agreement; "Decent Interval" was published without ever having been reviewed or approved by the CIA.

The Department of Justice, at the request of the CIA, charged Frank Snepp with breach of contract. For the purposes of the case, the Government did not contend that Snepp's book contained classified information. The battle was joined only on the issue of the legality of the secrecy agreement.

In July 1978, the Federal District Court for Eastern Virginia ruled Snepp had willfully, deliberately, and surreptitiously breached his position of trust * * * and the secrecy agreement. The district court imposed a constructive trust on Snepp's profits ruling that he must forfeit to the U.S. Government all earnings from the book. Snepp appealed.

The Fourth Circuit Court of Appeals supported the finding that Snepp had violated his contract, but ruled that since there was no allegation by the Government that Snepp had revealed classified information, the requirement that he forfeit his earnings was too drastic. The case was appealed to the Supreme Court.

On February 19, 1980, the Supreme Court handed down a very sweeping unsigned decision, arrived at without benefit of full briefs or oral arguments, supporting the original district court decision that Snepp had violated his secrecy agreement and must forfeit to the Government the resultant earnings.

The Court ruled that an intelligence agency has a right to demand prepublication review of its employees' or former employees' writings. The decision said: "Whether Snepp violated his trust does not depend upon whether his book actually contained classified information. * * * The purpose of the agreement is to insure the agencies a dependable prepublication review procedure. The Court reasoned:

The Government has a compelling interest in protecting both the secrecy of information important to our national security and the appearance of confidentiality so essential to the effective operation of our foreign intelligence service.

IMPLICATIONS OF THE DECISION

My purpose is not to debate the merits of *Snepp's* case or the Government's case. I believe the intelligence agencies can make a good argument for having some kind of an agreement with employees to insure that classified material is not published willy nilly.

I have no quarrel with the concept of a secrecy agreement or even with the finding of the Court that *Snepp* violated his agreement. What concerns me is the ramifications of this decision. First, decisions of the Court can be interpreted broadly. And the wording of this particular decision invites the broadest of interpretations. It sharpens the Government's blue pencil and invites the intelligence agencies to edit manuscripts for far more than classified material. It stands to make the Director of Central Intelligence the final judge and editor of what his staff may say about him and his work.

Second, there is the ramification of the procedures established by the Government to administer secrecy agreements. After reviewing these procedures, I believe there are a number of issues that need to be resolved.

This is an area that cries out for legislation. Based on the Supreme Court decision and what I have learned from the hearings of the House Intelligence Committee, I believe there are six key policy questions that Congress must consider.

The first issue is to determine which agencies ought to be allowed to require employees to sign secrecy agreements. The CIA, NSA, DIA, and FBI all have one-page secrecy agreements that every new employee is required to sign as a condition of employment.

As an example of the types of agreements, the key paragraph of the CIA secrecy agreement—which could certainly use some editing for clarity—states:

As a further condition of the special confidence and trust reposed in me by the Central Intelligence Agency, I hereby agree to submit for review by the Central Intelligence Agency all information or materials including works of fiction which contain any mention of intelligence data or activities, or contain data which may be based upon information classified pursuant to the Executive Order, which I contemplate disclosing publicly or which I have actually prepared for public disclosure, either during my employment or other service with the Central Intelligence Agency or at any time thereafter, prior to discussing it with or showing it to anyone who is not authorized to have access to it. I further agree that I will not take any steps toward public disclosure until I have received written permission to do so from the Central Intelligence Agency.

Among the four agencies, there are notable differences. The CIA and DIA agreements compel all employees and former employees to submit any writings related to information learned while employed—whether considered classified or unclassified—for prepublication review. The FBI, whose prima-

ry mission is one of law enforcement and whose employees may never see classified information, requires all employees and former employees to submit manuscripts containing any information learned in the course of employment with the FBI related to official records or learned in the course of official duties. NSA, whose employees are privy to some of the most highly classified national security information, levies no requirement to submit writings for review.

In light of the *Snepp* decision, these agencies and others outside the intelligence community are, I am sure, taking a second look at their secrecy agreements and the possibility of imposing prepublication review. Many agencies deal with classified information. The Department of Commerce, Environmental Protection Agency, Department of Interior, and the Department of Agriculture are but a few examples. The Supreme Court decision opens up the possibility that these agencies could start demanding secrecy agreements of their employees.

The Court's opinion indicates that even without a contract, any Government employee who has access to classified information has established a fiduciary obligation—a duty which if not honored could open him to lawsuit—and that the employer may therefore impose prepublication review on its employees without ever having stated so in an agreement.

Moreover, this Court's cases make clear that—even in the absence of an express agreement—the CIA could have acted to protect substantial government interests by imposing reasonable restrictions on employees' activities that in other contexts might be protected by the First Amendment.

The Court went on to reason that Government agencies really cannot trust their employees but that a trust relationship exists not only for those who have access to classified information but also for Government employees who are in positions of trust:

Quite apart from the plain language of the agreement, the nature of *Snepp's* duties and his conceded access to *Confidential* sources and materials could establish a trust relationship. (Italics supplied.)

Again the Court goes on to reason that not only secrecy but prepublication review could be demanded by all Government employers:

Without a dependable prepublication review procedure, no intelligence agency or responsible government official could be assured that an employee privy to sensitive information might not conclude on his own—innocently or otherwise—that it should be disclosed to the world. (Italics supplied.)

It is the Court's opinion then that secrecy agreements and prepublication review are not the exclusive right of the CIA, not the exclusive right of the intelligence community and not the exclusive right of those who grant access to classified information. The Court's decision extends this prerogative for imposing prepublication review not only to include all persons with access to classified information

but to all Government employees who deal with confidential matters.

The law ought to define exactly which agencies of the Government may impose secrecy agreements and prepublication review. The intelligence agencies of necessity must require secrecy oaths of their employees. But to impose such agreements across the board to all Government agencies smacks of censorship to protect the Government from embarrassment rather than a justifiable action to protect intelligence data.

The second issue that needs to be resolved is procedures. Prepublication review procedures now run the gamut: At one end, the CIA has a very formal process; at the other end, the FBI has no internal rules or formal guidelines whatsoever.

One critical issue is the time consumed in reviewing a manuscript. Often timing—especially for an article or speech—is crucial to its influence. The CIA has a goal of reviewing manuscripts within 30 days—but that is only a goal, not a requirement. For many articles and speeches, a 30-day delay could reduce their impact or even render them useless. Some reasonable limits ought to be set—and set in the law. Of course, the review period for a book could be longer than for articles and speeches.

The other, even more, critical issue is the appeal process. The CIA currently has an appeal procedure that is internal. Following review by the CIA's Publications Review Board, should the author question a decision by that Board, his only recourse is back through the CIA. The appeal brings in the General Counsel of CIA, the Inspector General of CIA, and the Deputy Director of Central Intelligence—not the most neutral parties. This clearly does not solve problems posed by Agency defensiveness.

To assure that the appellant is getting a fair shake, the appeal ought to be judged outside the agency involved in the dispute. The law should outline a formal appeal process to be conducted by an independent panel, applicable across the board to all of the intelligence agencies.

The third issue we need to resolve is what the review process should be able to excise. While the CIA says it interprets its mandate as allowing the Agency to excise only classified information, the secrecy agreement requires that all information or materials including works of fiction which contain any mention of intelligence data or activities or contain data which may be based upon information classified pursuant to Executive order, be submitted for review. The *Snepp* decision clearly implies that the CIA has a much broader mandate, and may excise information that is not classified.

The Court's opinion stated:

Moreover, this Court's cases make clear that—even in the absence of an express agreement—the CIA could have acted to

protect substantial government interests by imposing reasonable restrictions on employees' activities that in other contexts might be protected by the first amendment.

Classification is not simply a matter of checking some master ledger to see if fact A is classified while fact B is unclassified. The review process can be heavily judgmental. The law ought to set limits on the power of the intelligence agencies to excise, for that is the power to restrict the first amendment rights of all present and former employees.

The fourth issue we need to resolve is the extent of liability if a contract is broken or if classified information is indeed published. I believe legal liability must be limited to the individual who signed the secrecy oath. If classified information is imparted in a manuscript or to another author, the oath taker is the only person who should bear the responsibility. Threatening publishers will certainly add to the costs of administering the law. The publishers' lawyers will argue the legal implications and provide a boon for the publishers of legal briefs. The author understands the nuances of classification; the publishers do not.

Yet in imposing a constructive trust as a remedy for failing to fulfill a fiduciary duty, the Court has imposed a punishment on Snepp that historically can be applied to all third parties who profit from the original offense. Publishers, editors, journalists, authors—the list is endless. Although the Court did not in this case seize the profits of these other parties, the decision opens up the opportunity for such constructive trusts to be imposed in future cases on persons completely unaware of their potential liability.

If we are going to have secrecy oaths, then the responsibility for keeping those oaths should lie with the parties to those oaths and not some third party. The law should limit the liability to those persons who have signed a secrecy oath and not include publishing houses, newspapers, and others.

The fifth and most difficult issue we need to address is exactly what must be submitted for review. It is quite clear from CIA testimony that it applies the review process strenuously to books—yet even some of them fall through the cracks—sporadically to magazine articles, rarely, if at all, to columnists, and never to speeches or lectures.

To insist on reviewing everything that is written, published, or said in a speech about the CIA by former CIA employees would deluge the CIA with texts. The CIA complains of burdensome man-hours devoted to freedom of information requests. What would be the burden if the Agency had to clear not only every book about the CIA, but every column by Cord Meyer, every novel by Howard Hunt, every speech by Bill Colby—even university lectures by a host of retired intelligence analysts such as Lyman Kirkpatrick—and perhaps an occasional

sermon by William Sloan Coffin? And what happens in the question and answer period after a speech?

What we have here is not only a theoretical but a practical problem. It is certainly a practical impossibility to cover all public communications by present and former employees. As a practical matter, CIA now concentrates only on books as opposed to magazine articles, speeches, and so forth. The logic behind this practice is questionable—for the revelation of classified information in an article may be even more damaging than its revelation in a book, because of the time factor. Of course, the CIA may be concentrating on books, like those of Snepp and Stockwell, rather than articles, like those of Braden and Meyer, because critics have concentrated on books as their outlets.

The law must be explicit and unprejudiced in defining exactly what materials the intelligence agencies may require their employees and former employees to submit for review.

The final question that needs to be answered in the law is the appropriate punishment for violators. The penalty in the *Snepp* case was to impose a constructive trust and confiscate Snepp's profits from the book. While some feel this was an appropriate and equitable punishment, it may not deter others from ignoring their agreements and publishing without review by the agency. For example, what about the writer who is not concerned with money but with making a point. A constructive trust would certainly not deter here.

What we require, therefore, is twofold: First, a process for reviewing manuscripts and appealing the review that is both fair and perceived to be fair, so that those affected will not have reason to fear that their copy will be mishandled; and second, a penalty for violating the contract that will effectively discourage the random flaunting of the secrecy oath. And while we do this, we must keep in mind that the purpose for that agreement is the protection of classified information.

Former Director of Central Intelligence William Colby has proposed a remedy which we might consider: Recognizing the need for protecting classified information, Colby suggests that there be a review process which an employee or former employee may have the option of taking advantage of; however, if one chooses not to submit his manuscript for review by the agency, that person may be held liable under criminal code if information is revealed that identifies intelligence sources or methods.

Mr. Speaker, it is essential that we protect both the legitimate secrets of the intelligence services and the first amendment. It is essential that we protect key operations of the intelligence community from compromise. But we should not set up a process to

protect key officials of the intelligence community from embarrassment.

The *Snepp* decision and the existing secrecy agreements of the intelligence services raise many questions but provide few answers as to how we can master this balancing act.

Rather than getting bogged down in arguments over the pros and cons of Snepp's decision to publish, we need to address the broader issues opened up by the Court's decisions. This is an area where Congress must act. ●

"UNTAPPED RESOURCES"

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. HALL of Texas. Mr. Speaker, although the "young people of today" is often a topic of heated conversation, it is not usually complimentary in tone or nature. Regularly, we are reminded that the future of our Nation depends upon our youth—but this is usually spoken like a threat rather than an assurance that our country will be in good hands.

Although we hear far more about the others, the majority of our young people are responsible and forthright, deeply concerned about what they can do—as individuals—to make America an even better place in which to live, to work, and to pass on to future generations of young people—who they will, in turn, worry about assuming their responsibilities.

One such young man from my congressional district, Roger Russell, of Pittsburg, Tex., seems to have an insight into what is required of our young people and I would like to insert at this point in the CONGRESSIONAL RECORD a copy of his March 6 newspaper article from the Steel Country Bee. This newspaper article—"Untapped Resources"—speaks for itself:

UNTAPPED RESOURCES (By Roger L. Russell)

The greatest untapped resource that our great country has is its young people. It is amazing to me that our nation has achieved as much as it has considering the lack of attention paid to the development of each successive generation. With as much riding on the way the world is run as there is now, one would think that more planning would go into the character development of the people that are going to put it all together, us.

We must accept the fact that if anything is going to be done to help us become better leaders we are the ones that must take the initiative. To do that we must first realize that we have complete control over our actions.

We aren't just trapped in a body that does just what it wants. God gave us the capacity to mold ourselves into the form that is most desirable to each of us as individuals. It is up to us to be the kind of people that can shoulder the responsibility for this country that we will soon inherit.

America's future is entirely dependent upon us, whether older people realize it or

not. This country stands or falls with us. We are going to look and see what we can do to increase our chances for success.

Let's grow up to be responsible adults. We don't just automatically become dependable and trustworthy adults when we wake up on our eighteenth birthday. The only way we can expect to become contributing members of society is to start practicing now. William Wordsworth summed this up when he wrote "the child is the father of the man," meaning, what we are in our youth determines what we will be in our adulthood.

Let's develop our self respect and integrity. Without integrity there can be no trust, and if we can't trust ourselves we can't trust others. Respect is contagious. If we respect ourselves others will "catch it" and respect us also. Respecting ourselves includes watching what we do to our bodies and watching what we put into our minds.

Let's wake up to the strengths that we really have. We have a positive attitude and a belief that we can be anything that we want to be. We have the ability and opportunity to learn from others' mistakes. Instilled in us is enough character and vitality to change the world if we are willing to put it to use. We have numbers. Just look around yourself and see how many young people there are. Imagine what this place will be like when all of us are involved. Also, we have the strength of God if we will just ask for it.

As the youth and young adults of this country it is up to us to increase its productivity by increasing our own productivity. America is just a bunch of "you's and me's". We have done many great things, but lately we have been resting on our laurels. We must continually keep improving. As kids, we must harness our energy and get an education so that we can put our ideas to work and produce the very best.

We have the ball so let's run with it. All we have to do is think positive and strive for the best.

Certainly we understand that the potential of our youth is today's promise for tomorrow. Teenager is not a dirty word and these young people are ready to take the initiative, preparing themselves to assume their responsibilities by learning what is required of them to become young adults—leaders in our society—willing to exert every effort to improve today's world so that tomorrow's will be even better. ●

MOVING TOWARD A BETTER ENVIRONMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RANGEL. Mr. Speaker, 10 years ago this Nation entered the 1970's with a strong commitment to improving environmental quality. We have witnessed a decade of unprecedented action toward that goal but much remains to be done. As we move into the 1980's, we cannot allow our commitment to the environment to be overshadowed by other concerns. I am thinking specifically of our energy difficulties.

In the 1980's we will face ever decreasing supplies and increasing costs for energy. We face a major challenge in choosing between potential short-

term environmentally damaging solutions or a commitment to long-term environmentally sound energy sources. We must, in this decade, commit ourselves to developing and utilizing clean renewable sources of energy such as biomass, geothermal solar, and wind just to name a few. At the same time, we must begin to implement a program of conservation to alleviate some of our present dependence on fossil fuels. Measures such as weatherization programs, improved mass transit, or encouraging the use of bicycles as an alternate mode of transportation should be actively pursued.

It would be a tragic shame after all we have accomplished in the 1970's toward improving environmental quality were we to allow that progress to be undone by choosing short-term solutions to our energy programs. On this 10th anniversary of Earth Day, let us recommit ourselves enthusiastically to further reclaiming our environment and to match our accomplishments of the past decade. ●

THE TROUBLE WITH SOYBEANS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FINDLEY. Mr. Speaker, as my colleagues from farm States know by now, thousands of farmers in this country are in serious financial trouble—victims of a vicious cost-price squeeze which has been seriously aggravated by two things: First, the price-depressing embargo on grain shipments to the Soviet Union and subsequent heel dragging by the administration in protecting the farmer as promised, and second, escalating interest rates on the money farmers must annually borrow to meet the enormous operating costs of planting crops.

I call my colleagues' attention to the following article from the April 21, 1980, issue of Newsweek magazine which deals with the farm crisis in the soybean sector:

THE TROUBLE WITH SOYBEANS

There's trouble in soybean country.

Since Jimmy Carter imposed his embargo on grain exports to the Soviet Union last January, soybean producers have watched prices slip by about \$1 a bushel. And many of them lay the blame squarely on the Carter Administration, which they think has reneged on its promise to protect them. "The government said the farmer wouldn't get hurt," says Darwyn Nelson of the Land of Lincoln Soybean Association. "Well, he did. He is going down, and he has not seen the bottom yet."

Not all the producer's woes stem from the embargo. Like other American farmers, soybean growers have been badly bruised by broader economic forces—especially inflation-bloated costs and the Federal Reserve's crunch on credit. But for soybean growers, the embargo has been particularly painful. For one thing, it was imposed just as the U.S. and competitive foreign exporters—especially Brazil—prepared to put a record

1979 soybean crop on the international market. For another, the soybean producers do not participate in government-sponsored reserve and loan programs that might have helped shelter them from the embargo's effects. But worst of all, say the farmers, the Carter Administration has betrayed them—and they are appealing to Congress for help. "The Soviet embargo, which is proving to be an unmitigated disaster for American soybean growers, is having little impact on the Russians," says American Soybean Association president Allan Aves. "It appears that only Congress can undo the damage."

Dumping: The anger is understandable enough. After the grain embargo went into effect, the U.S. Government bought up contracts on 26 million bushels of soybeans that had been destined for Soviet ports. The idea was to avoid flooding the U.S. market and forcing a sharp decline in prices—and Agriculture Secretary Bob Bergland assured producers that the government would not sell the contracts for less than prices prevailing before the embargo. But early this month, the Agriculture Department did an about-face: it sold contracts for more than half the soybeans at prices lower than the pre-embargo rates. In the course of one week, soybean prices in the commodities markets fell by nearly 40 cents. As producers saw it, the government had further depressed a market that was already ailing.

Agriculture officials argue that they had no choice. While the government can ask producers of wheat and corn to put their embargoed grain in reserve, pending a firming of prices, soybean farmers have resisted establishing any reserve program. Thus, when the contracts the government owned came due, the USDA had to dump them on the market—or take delivery of 14 million bushels of soybeans for which it had no use or storage space. "We would have had beans in Bob Bergland's office," says one official. USDA spokesmen stress that the amount of soybeans they sold is relatively small—less than 2 per cent of U.S. annual consumption. And they have promised to buy back an equivalent amount to offset the price slide caused by the dumping.

Export Aid: But soybean producers are still unhappy. Confused and angered by the Administration's maneuvers, they are asking Congress for export credits and other aid in developing new markets abroad. They also want an increase in government-backed loans for soybean farmers—a boost to \$5.02 per bushel from the current \$4.50. Otherwise, the farmers contend, many producers may not even be able to afford the cost of spring planting. Though Congress has not yet responded, the producers are encouraged by the attitude of the Federal Reserve. Last week, farm leaders presented their problems to Fed chairman Paul A. Volcker. "We stressed the fact that we need money now," says Allan Aves. Volcker made no promises, but the farmers returned to soybean country with the impression that a powerful potential ally finally understood their plight. ●

SAM PRYOR

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, Samuel F. Pryor, now a resident of Hawaii, is a remarkable American. His career and his honors have both been too illustrious to discuss in this small space. Mr.

Pryor originally delivered the following speech in 1962. It was brought to my attention again just recently. The observations still are worthwhile, and I wanted to share at least some excerpts with my colleagues.

The excerpts from the speech follow:

In the few minute's time I have to talk with you, may I talk about "TIME"—Time past—Time present—Time future—the concept of Time in relation to what is happening around us in our country and the world today and the responsibility you and I have for the use of that time.

Time does not stand still, as Shakespeare had one of his characters say "I waste time, and now doth time waste me." Time recognizes neither the clock nor the calendar. The fateful words of the Bible concerning the arrival of the time of Death "You know not the day nor the hour" have suddenly come to have as much meaning to us as a nation and our world as they always have had for us as individuals.

Time Past—the only importance of talking about it besides wonderful memories is what it might contribute to guide us constructively in the present or in the future.

I have had the privilege of visiting many of the ancient cities, particularly in the Middle East which are now either in ruins or buried underneath desert sands—among them the ancient pre-Christian Kingdoms of Qataban, Timna, the Hadramut, the great lost city of Shabwa, the ancient frankincense city of Sumhuram, Petra, Balbec, and on our own continent, ancient Chichen-Itza. Some of these civilizations have been buried now over 2,000 years. Each of these cities, in its proper time, stood at the peak of achievement and accomplishments. Each asserted its influence throughout the then known world. Each was the leader of its time.

Pondering over these ruins caused me to wonder about ourselves. Now how much time do we have and how wisely are we using it? These are questions we must provide answers. . . .

We must lead with the other great powers seeking a permanent Peace for our World. I will bring no prophecies of a third World war. If I did I am morally certain that what I would have to prophecy would be the end of World civilization. The next war will have no bands, no parades, no flags, and no romance. Humanity is now at the cross roads.

Since we must think constructively—where better begin than now in the Middle East where Peace is so uncertain and where all the great powers are so interested.

If Israel and Jordan could get together and agree that Jerusalem should be the Peace City of the World—the Holy City—the home of the four great religions—the Hebrew, the Muslim, the Christian, the Buddhist—and then invite the United Nations to move their Headquarters from New York City to there—there the Cradle of Civilization—there where Christ went into Heaven, where Mohammed went into Heaven and there will be no Walling Wall but a wall of joy and Peace for the Jews of the World.

The ruins of great Civilizations are in many places surrounding Jerusalem and their complete destruction would be a reminder of what War can do to a civilization. It would become the greatest tourist place in the World.

Just two countries would accomplish this for they both owned Jerusalem—Israel and Jordan and both countries are headed by able Peace-loving leaders—Golda Meir and King Hussein. What country would attack the Peace City of the World—the home of

the United Nations—created to keep our World in Peace. We all could afford to build the most beautiful building in the World to house the delegates and most comfortable housing in which to live.

HUMAN FREEDOM IN DANGER

We in the United States can look back through the long vista of human history and we can see that now—today—the whole course of human freedom is in the greatest danger mankind has ever known. We are face to face with the cruelest, most deceitful enemies we have ever faced. We are doing everything possible to make them friends, but they are dedicated to burying us as well as our way of life.

We must maintain our material strength which unfortunately is the only kind of strength these adversaries respect. We also have hope in that we are blessed with a spiritual strength not possessed by our adversaries for they have no God, no Christ, no Mohammed, no Abraham.

This is a period in the life of an individual, in the life of a nation, and for that matter, in the life of a whole civilization when things are happening with incredible speed. Events are piling upon events with such rapidity that time itself has become foreshortened. Predictions about the future are almost meaningless.

Guided missiles can be sent 8,000 miles and their targets pinpointed. Our enemies have the same megaton bombs as we have. Their destructive power is equivalent to 100 million tons of TNT. If one exploded in New York it could obliterate all of New York City, all of New Jersey, all of Westchester County, and all of lower Connecticut. How far beyond this no one knows.

The present tensions over the Middle East, Cambodia, North and South Vietnam, Laos and Thailand and other potential trouble spots all over our globe cannot be exaggerated. These trouble spots are no longer a great distance. Today the flying time to the Middle East is 8 hours.

Time future—American Air Carriers will be flying jets or ramjets that move at speeds up to Mach 3—over 2,000 miles an hour. It will take only about 90 minutes to fly from New York to Los Angeles and two hours to fly from New York to London or Paris, two hours and thirty minutes to the Middle East. Even more dramatic and not long after that—flights to the Moon and to Mars and Venus will be available. Flights to the Moon at speeds of 20,000 miles an hour will take eleven hours and 56 minutes, for the Moon is only 238,857 miles away. Venus is about 26 million miles away or about 43 days at 20,000 miles an hour speed. Remember, it took our ancestors longer than this to come from Europe to Boston.

These pilgrimages into space will come. The rocket engines to make voyages of this sort possible are already under construction. The same is true of space capsules—already demonstrated. Space capsules are the forerunners of large space planes.

PURSUIT OF HAPPINESS

We people living here in the United States have a great blessing over the way of living under any other form of government. For in our Declaration of Independence we have one privilege not mentioned in the declarations of any new country obtaining independence around the world—"the pursuit of happiness." You hear much about freedom and equality but what greater privilege in life is there than to pursue—happiness—not just for yourself but for other people because by doing this you will bring happiness to your own self and to those about you.

Now time to stop. Paradoxically while realizing that we must be constantly alert to enemies who know no God, we must at the same time continue to follow the dangerous path of peace, which our President is doing. We must then ask ourselves whether our minds and hearts have the ability to match the speed of sound with understanding and love for our fellow man—not just in our own town, not just in our country or State—but around the World. This is the kind of program our enemies fear most. It is fraught with danger, but being able to meet danger is what has made our country great. In facing danger we in our country have another blessing that our adversaries have not—faith. During the war in England a stone was unearthed after a bombing. It had on it this inscription, "Fear knocked on the door—faith answered—and there was nobody there."

It is our solemn obligation to walk this dangerous path of peace in faith and friendship in fulfillment of our mission on Earth. ●

METHODIST MONEY USED FOR RADICAL CAUSES

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, as a patriotic American, and especially as a practicing Methodist, I was appalled to read of the collection of leftist causes to which the Methodist general board of church and society gives its congregations' money.

How many Methodists realize that their church contributions may be used to promote homosexuality, pass the ERA, lobby for abortion, and other antifamily causes? Is there a deliberate attempt to hide the radical involvement of United Methodist leaders from church members who pay the tab?

I urge all Americans, especially Methodists, to ask whether or not your money is being used to bankroll every antifamily scheme to come down the pike. Conservative Digest recently reprinted an article by Robert D. Wood from Good News magazine, which I insert in the RECORD at this point:

IS GOD A LEFTIST?

When compared to the sprawling magnificence of the U.S. Capitol or the glistening whiteness of the Supreme Court building, I suppose the United Methodist Building in Washington would be judged to come off a poor second. In nearly any other setting, however, one would pronounce it imposing. Five stories of grey stone stand at the corner of Maryland Avenue and First Street, N.E., one of only two nongovernment properties on Capitol Hill.

When I came in from the provinces to visit the capital, it wasn't as if I had never been anywhere outside my native county. Nor when I decided to pay my respects to the UM Building did I approach it like a barefoot boy fresh off the farm with eyes wide and mouth agape. On the other hand, I was not totally prepared for what I found when I visited the headquarters of the General Board of Church and Society in the United Methodist Building.

As I wandered through the corridors, I saw signs reading "Department of Population," "Religious Coalition for Abortion Rights," "Handgun Control," "Emerging Social Issues," "Legislative Affairs Office," "Department of Church-Government Relations," "Department of Economic Life" and the like.

I was not totally astounded by this, for I had in my pocket a letter from Dr. George Outen, the board's general secretary, listing 34 coalitions in which the board has interests.

Moved by what I saw to ask some questions, I was pleased that Dr. Outen would take time for me even though I had no previous appointment. One of his chief frustrations, he said, is to attempt to carry on the board's many responsibilities on a yearly budget of \$739,000. In fact, he averred, to operate a general board on less than \$1,000,000 a year is impossible.

Somehow my conversation with Outen drifted to the matter of ordaining homosexuals, a problem that swirled around the General Conference in 1976.

"The gay issue is not dead in the church," he declared, indicating that General Conference action certainly did not finally lay aside that bugbear. Lamenting the board's failure to address the issue adequately due to shortage of funds and personnel, he said that they plan to find someone for the staff "skilled in mental health," who can give full time to the matter.

When I asked whether the person would be gay, Outen chuckled and replied, "Oh, we won't inquire about his or her sexual orientation!" I masked my astonishment at so open an admission.

He had received me very graciously, but I sensed there were many things to learn. So I thanked him, excused myself and left to look further.

I found that social and theological liberals at the UM Building seem to be fairly well homogenized and wonderfully tolerant of all liberal causes. Later in the day, a staff member at the headquarters of the Coalition for a New Foreign and Military Policy would tell me that if a bomb should fall on the United Methodist Building it would be a bad day for liberals. "These activists," he murmured, referring to the United Methodists, "nice!"

In its mothering of assorted liberal causes, little apparent discretion is exercised. On the second floor of the UM Building, the Gay Rights National Lobby has its national headquarters. Here, under a United Methodist roof, its strident Newsletter, On the Line, is produced. Doubling up with GRNL in the two-room suite is the Washington branch of the Universal Fellowship of Metropolitan Community Churches, the homosexual denomination. These are not the only strange fellows in the United Methodist bed at 100 Maryland Ave., N.E.

Down on the first floor, a spokeswoman for the Religious Coalition for Abortion Rights, a nonpracticing Jew, indicated that abortion rightists, gays and ERA proponents all face the same opposition from "fundamentalist types." (At the time of my visit, in 1978, Anita Bryant and company had just won their victory in Florida; three days before, the House of Representatives had passed the Hyde amendment barring most Medicaid-funded abortions; and only the previous day the Supreme Court ruled that federal and state governments cannot be compelled to pay for abortions.)

Upstairs in the UM Building, Jessma Blockwick, who in 1969 came to the Department of Population in the board's Division of World Peace, lamented, "This has been a very distressing week for every cause in this

building." Later she added, "We're not good at winning victories."

Nancy McConnell, a member of the United Church of Christ, works with the UM board to push ERA. She confirmed Blockwick's assessment, saying, "We've had some victories, but we can't seem to win the war."

McConnell is on the ERAmerica steering committee and is also involved in promoting abortion rights while she is working with the population office. During winter and spring of 1977, as ERA was coming up before state legislatures, she was on the road most of the time. Referring to the resolve of the Women's Division, the Board of Church and Society, and the National Council of Churches not to hold further meetings in non-ERA states (only until after the March 1979 deadline, corrected, George Outen), she noted that the action had "angered friends."

When I asked at ERAmerica headquarters whether the United Methodist Church was a generous supporter of ERAmerica, a spokesman answered enthusiastically, "For sure, for sure." (The church is essential to ERA for other reasons, he added. "The connotation of religion gives a good flavor to ERA.")

Sympathy for the pro-abortion-rightists was expressed to me next day at the shiny national ERAmerica offices in the National Education Association building in downtown Washington and also in the dank and cluttered basement rooms of the Coalition to End Grand Jury Abuse, a block away from the UM Building. Gloom hung like Spanish moss in all three locations.

A close ideological bond unites the Boards of Church and Society and Global Ministries, particularly the latter's Women's Division. The UM Women maintained a legislative affairs office in the United Methodist building. And WD personnel are sometimes deployed to Church and Society offices.

A case in point is Barbara Weaver. She has office space in the Church and Society Division of World Peace, where she pursues law of the sea issues. This office is a gift "in kind" from Church and Society to the Women's Division, worth about \$2,000 a year.

This same bond is reflected also in appropriations to various coalitions. For instance, the Coalition for a New Foreign and Military Policy, chaired by Joyce Hamlin of the Women's Division, receives \$1,000 a year from the Board of Church and Society, plus \$3,000 from the Women's Division.

In 1976, Church and Society gave \$500 to the Coalition to End Grand Jury Abuse, with which John Adams, of the Board's Division of General Welfare, works as liaison. The Women's Division tossed in another \$500.

Adams at that time was spending a good deal of his time (paid for by the church) hopping from state to state in the interests of a coalition to ban the death penalty. He served on the executive committee of this coalition, was active also in the American Civil Liberties Union, and spent much time working in behalf of the Kent State protesters.

Less apparent than these appropriations (which are not always very apparent) is the board's practice of keeping the books for the Coalition to End Grand Jury Abuse, the National Coalition to Ban Handguns, the Coalition for a New Foreign and Military Policy and perhaps other coalitions. A staff member of the Coalition to End Grand Jury Abuse described that task force as "technically part of the staff" of Church and Society and the Board of Global Ministries' Women's Division as well.

Though I am an active churchman at least reasonably well informed, I was unaware of the complex mixture of United Methodist sociopolitical involvement, with tenacles into everything. My lack of awareness suggests that the board does a poor job of publicizing its entangling alliances. But also, I have a feeling it is a deliberate effort to conceal from the church its activities, for the very good reason that most of the constituents (local churches and individual United Methodists) are not in agreement with—and very many are passionately opposed to—a number of those coalition causes.●

DUPLICATION IN MEALS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. COLLINS of Texas. Mr. Speaker, today I ask Congress to review the school lunch program as it relates to the food stamp programs to evaluate their budget relationship.

Simply speaking, about 43 percent of the households getting food stamps are also getting free lunches for their children at school. In other words, the Federal Government pays for the child's lunch at home and then pays again for the same child's lunch on the same day at school. It is causing unnecessary duplicative expenditure of about \$1.2 billion in the 1981 budget. We should reduce the food stamps by that amount.

In the second place, we should target school lunch subsidies to the poorer children who have more to gain in nutrition. The President proposes cutting the lunch subsidy by 5 cents per child in families of four with income below \$15,800. Studies made by the Congressional Budget Office and endorsed by the bipartisan committee show that children in families of four with annual income above \$15,800 will not suffer loss of nutrition if their school lunch subsidy is reduced by 16 cents. Thus, while maintaining nutrition standards we can reduce budget outlay another \$300 million.

This well-intentioned welfare program can provide \$1.5 billion in savings next year. Cumulative 5-year savings on these two items alone come to \$8.7 billion by 1985.●

THE REGISTER, ORANGE COUNTY, CALIF.

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BADHAM. Mr. Speaker, it is my pleasure today to call the attention of my colleagues in this honorable body to the Register, a daily newspaper with approximately 250,000 subscribers, which has been serving the people

of Orange County, Calif., for the past 75 years.

As a Member of Congress who has the good fortune to represent a large portion of Orange County, I am proud to note that in observance of its 75th anniversary, the Register has given its county a remarkable birthday present: 228 pages unfolding the history of the county which currently is celebrating its 90th year as a political entity.

The glossy, full-color magazine was almost a year in the making and more than a year in planning. It is unique as a newspaper supplement, and will be a keepsake.

It is called "Legacy," a fitting name for a chronicle of the remarkable history of a geographic area with a history dating back to 1776 when Father Junipero Serra founded Mission San Juan Capistrano.

"Legacy," not only reviews the early days of Spanish and Mexican domination of the Orange County land—its huge land-grant rancheros, the beauty of the Spanish culture, but also brings its readers through the years of remarkable development of the most dynamic county in America.

"Legacy," tells of the people who were noteworthy in the various stages of Orange County's growth. It tells of the famous people long identified with Orange County, such as former President Richard Nixon, aviation pioneer Glenn Martin, baseball great Walter Johnson, motion picture immortal John Wayne, and many others.

In presenting this birthday present to Orange County, the Register continues a long history of providing extraordinary service to its 26-city community.

The Register began as a small community newspaper in 1905, and its emergence as a major daily began when the newspaper was purchased in 1935 by R. C. Holles and family. Holles in 1979 was elected posthumously (he died in 1971) to the California Newspaper Hall of Fame.

The Register has been in the forefront of promoting causes of individual freedom, having defended the rights of Americans of Japanese ancestry during the period of relocation in 1942.

Over the years, the Register has been a beacon of continuing defense of individual liberty, and the thrust and flavor of "Legacy" continues that message.

"Legacy," is the result of an idea of the Register's editor, Jim Dean, who suggested something special be done to observe not only the newspaper's milestone anniversary but to provide a lasting souvenir to the community. Editor Dean's unique suggestion was enthusiastically endorsed by the Register's publisher, R. David Threshie, Jr.

The Register, with headquarters in Santa Ana, Calif., is the flagship of a 30-newspaper group, Freedom Newspapers, Inc., with publications in California, Colorado, New Mexico, Texas, Ohio, North Carolina, Florida, Nebraska,

Indiana, Mississippi, and New York.

As Representative of the 40th Congressional District which embraces Orange County, I am proud to salute the Register and its gift to the community, "Legacy," on this occasion of a great newspaper's 75th anniversary. ●

SOME CONSERVATIVE REASONS TO DOUBT NUCLEAR POWER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MARKEY. Mr. Speaker, on March 31, 1980, an article appeared in the Boston Globe which was written by a conservative columnist, David B. Wilson. Entitled "Taming the Nuclear Monster," the article expresses Wilson's opinion that political conservatives have "blundered onto the wrong side in the controversy over nuclear power." I believe that the following paragraphs from Mr. Wilson's column will be of interest to my colleagues:

For the last three decades, nuclear plants have been breaking down, leaking radiation, requiring refits at more frequent intervals, producing poisons nobody knows what to do with and, generally, fulfilling the direr prophecies of their radical critics.

Responsible conservatives cannot defend the nuclear industry's failure to cope with the waste disposal issue or its fudging of the true costs of generation by omitting insurance, development, litigation, disposal, and entombment-shutdown expenditures.

Even more pertinent, I think, is the inevitability of human frailty. Not blithe Rousseauian sentimental optimism but stern Hobbesian recognition of reality should instruct the conservative's view of the nuclear power industry.

Mr. Wilson has written to me on the subject of nuclear power, saying:

This is not a partisan issue, and being in favor of preserving a liveable world has got to be genuine conservatism.

It is interesting to note that Americans are becoming "conservative" energy consumers to the extent that the actual need for more nuclear energy is now in serious doubt. In the April 6, 1980, New York Times, in a long column titled "Electricity Use No Longer Soaring," the reporter Anthony J. Parisi stated:

Since 1974 Americans have been using far less electricity than the utility industry had expected, and now some analysts expect the rate of growth to fall even further in the future.

In my own region of New England, the same forecasts are being drastically lowered. According to the reporter, Jerry Ackerman, in an April 2, 1980, Boston Globe article titled "New England Utilities Cut Projected Demand," the New England Power Pool now says that electricity is expected to increase only an average of 2.6 percent a year through 1995. Ackerman points out that:

The projection represents a reduction of 40 percent from last year's forecast of 4.3 percent annual growth over the same period.

Experts such as Roger Sant, director of the Energy Productivity Center of the Carnegie-Mellon University, say that such a trend will have a tremendous impact on our economy and the environment. In particular, as Anthony Parisi notes in his New York Times article:

The bitter debate over nuclear power would also ease. In the most optimistic projections, the Nation's utilities would not even have to order any more nuclear plants.

We in Congress must support the energy-efficiency measures which can help keep down the staggering costs to ratepayers of financing new powerplants. Such an energy productivity program is conservative public policy because it emphasizes that reducing waste makes economic sense. It is conservative because it allows us to minimize our reliance on an energy source—nuclear power—which may be too dangerous for us to handle safely. I urge my colleagues to review carefully the enclosed articles from the Boston Globe and the New York Times which bear directly on these issues:

[From the Boston Globe, Mar. 31, 1980]

TAMING THE NUCLEAR MONSTER

(By David B. Wilson)

The anniversary of Three Mile Island just may be an appropriate time to suggest that the Right has blundered onto the wrong side in the controversy over nuclear power.

Conservatives like to believe that they are what their designation implies—conservators of what is best, prudent stewards of precious legacies from the past, anointed opponents of mischievous novelty.

But because conservatives are predisposed to resist government regulation and strident activism and to defend the economic liberties of corporations, they tend almost reflexively to line up with the nuclear industry against the antinuke alliances.

After all, General Electric, Westinghouse, Stone & Webster, Babcock & Wilcox, Combustion Engineering and all the multinational corporations, power companies and uranium mining and processing industries involved represent a significant chunk of that capitalist system which conservatives are honor-bound to defend.

But capitalism's great strength and virtue is supposed to be its flexibility. It is supposed to operate through a Phoenix-like process of creative destruction as the market's "invisible hand" directs resources to their highest and best use.

Capitalism is supposed to be better than the ruthless central planning of the Soviet state because it is more responsive to human wants and needs, less frozen into rigid ideological patterns, more able to adjust to change.

It would be presumptuous and probably wrong to ascribe the delays imposed by the money market last week on Pilgrim II and Seabrook reactor projects to the "invisible hand." And yet, you cannot quite rule out the possibility.

Society, generally, may have reached a stage where efforts to make economic activity more energy-intensive encounter the law of diminishing returns. More, more costly power may even be counterproductive of health, education and welfare.

And when, on the day before the TMI anniversary, the Department of Justice, in a nine-count indictment, charges Commonwealth Edison, the country's biggest seller of nuclear power, with conspiracy, falsification, evasion and breaches of security, certain very serious questions arise.

Huge corporations like Com Ed, Chicago's electric utility, exist to limit, diffuse and even dissipate liability. The state confers this advantage by charter so as to facilitate innovative economic activity and, presumably, to enhance the system's wealth-creating capability by encouraging the taking of risk.

But public utilities resemble the merchant adventurers of 17th and 18th Century London the way the Boeing 747 resembles the donkey cart, the way the hydrogen warhead resembles the flung rock. Public utilities are, in many of their aspects, more governmental than government, empowered to seize property by eminent domain; centrally directed, certainly as bureaucratized as the government, and, in the United States, considerably more authoritarian.

For the last three decades, nuclear plants have been breaking down, leaking radiation, requiring refits at more frequent intervals, producing poisons nobody knows what to do with and, generally fulfilling the direr prophecies of their radical critics.

Responsible conservatives cannot defend the nuclear industry's failure to cope with the waste disposal issue or its fudging of the true cost of generation by omitting insurance, development, litigation, disposal and entombment-shutdown expenditures.

Even more pertinent, I think, is the inevitability of human frailty. Not blithe Rousseauian sentimental optimism but stern Hobbesian recognition or reality should instruct the conservative's view of the nuclear power industry.

A society of Japanese Presbyterian technocrats, stern, precise, meticulous and fastidious, just might succeed in taming and domesticating the nuclear monster. For awhile. But such a society, consisting of human beings, would eventually succumb to the internal tensions such a restrictive view of human experience would necessarily generate.

It cannot be compatible with conservative principle to introduce irresponsibly into the world elements of catastrophic unpredictability certain to persist beyond the lifetimes of their creators. Ronald Reagan ought to give this some thought.

[From the New York Times, Apr. 6, 1980]

ELECTRICITY USE NO LONGER SOARING;
NATION EXPECTED TO BENEFIT IN 1980's

(By Anthony J. Parisi)

A fundamental change is apparently taking place in the nation's appetite for electricity. Since 1974 Americans have been using far less electricity than the utility industry had expected, and now some analysts expect the rate of growth to fall even further in the future.

Such a trend, experts say, would have substantial social and economic effects, including these:

Since utilities would be spared the high cost of borrowing to build new generating plants, fewer rate increases would be needed. Although electricity costs would continue to rise, they would do so at a slower rate than had been expected.

The environment would benefit, because less power production means less pollution. As some experts see it, the growth in pollution from power plants might be so modest that such long-range problems as the "greenhouse" effect—excessive heating of the earth's surface caused by a blanket of

man-made carbon dioxide—would be avoided.

The bitter debate over nuclear power would also ease. In the most optimistic projections, the nation's utilities would not even have to order any more nuclear plants.

CONSUMPTION DROP THIS YEAR

Last year electricity consumption rose only 2.8 percent in this country, down sharply from the 7 percent annual rate of growth that the industry routinely experienced until the early 1970's. So far this year, consumption has actually dropped, by 1.4 percent.

One reason is that the mild winter sharply reduced the needs of those who heat their homes with electricity. But even so, both the degree and the persistence of the drop-off has startled many experts. Demand, they noted, slipped in each of the first eight weeks of the year, marking one of the longest sustained declines on record.

"I think what we've seen in the last year is probably the precursor to the 80's—much, much lower growth rates," said Roger W. Sant, director of the Energy Productivity Center of the Carnegie-Mellon Institute of Research. "I suppose 3 percent growth is now the conventional wisdom, but my guess is that it will still be quite a bit lower than that."

As he and other specialists described it, a general slowdown in economic growth, consumer acceptance of more efficient motors and other power-consuming equipment, competition from other forms of energy and a variety of other factors will spell, at best, sluggish electricity growth in the years ahead.

Once, utilities simply assumed that the demand for power would forever match the rate of 7 percent a year at which it had risen almost from the inception of their industry. But that assumption went awry after energy prices exploded in 1973 and 1974.

From 1973 through 1978, consumption rose barely 3 percent a year on average. The yearly change ranged from slightly below zero in the recession year of 1974 to a rate of 6.7 percent in the recovery year of 1976. Peak demand on any single day in the year—a key parameter for utilities because it directly determines how much generating capacity they must have on hand—also rose barely 3 percent during this five-year period.

"Obviously, the old demand pattern has been broken," observed Irwin M. Stelzer, president of National Economic Research Associates, a highly regarded utility consulting concern. "Demand has turned out to be more elastic than most people had realized, and there's been more substitution of other fuels than had been expected."

POWER SHORTAGES AVOIDED

As a result, even though the utilities have canceled more new power plants than they have ordered, the nation has easily avoided the power shortages that many utility experts had predicted. Indeed, nationwide, the industry has twice as much generating capacity in reserve today as the backup of 15 to 20 percent that is has traditionally deemed a prudent margin of safety (although the margins in some regions, such as the Southeast, are tight).

If the overall demand for power tapers off even more, the cost of power would rise more slowly because the utilities would not have to build as many power plants. A slowdown in power consumption would also mean that the utilities would burn less fuel and produce less waste than had been expected.

And many analysts now suggest that growth may slow so much that the industry could meet its customers' power require-

ments in the year 2000 without ordering a single additional nuclear power plant. A few even think some of the nuclear plants still being built are unnecessary.

At the same time, these experts say, the utilities should still be able to reduce their oil consumption sharply. As they see it, coal would take over the bulk of the industry's fuel requirements, but because power consumption would have grown so slowly, fewer coal-fired plants would be needed than if the current growth in demand prevailed and far fewer than if the historic growth rate had been maintained.

Last year, according to the Department of Energy, electric utilities used about 1.4 million barrels of oil a day, down from 1.7 million in 1978. The nation as a whole consumed 19.2 million, importing 8.2 million of that total.

INROADS FROM COAL

The department's figures also show that, for the first time since nuclear power plants began commercial operations in the United States, coal made substantial inroads into both nuclear fuel's and oil's share of the utility market. The number of kilowatt hours made from coal rose 10 percent over the 1978 figure. At the same time, electricity made from oil, which was in short supply early in the year, fell 17 percent. That made from nuclear energy—which was set back by the accident at Three Mile Island, concern about seismic activity and other troubles—dropped almost 8 percent.

To be sure, the idea of much lower electricity growth in the future is coming more from outside the industry than from within it. Projections vary considerably, with the more traditional forecasters predicting anywhere from just over 3 percent to almost 5 percent annual growth, but with some of the more radical groups suggesting that it may be as little as 1 or 2 percent—or even less.

The Edison Electric Institute, the trade association for the nation's investor-owned utilities, is now updating its long-term forecast, last published five years ago. William McCollam Jr., president of the institute, said in an interview that the study analyzes growth rates, over the next 20 years, ranging from 2 percent to more than 5 percent a year.

"But the most important conclusion in our study," he said, "is that factors of choice are far more important than factors of chance." He added, "If the nation doesn't go to what we call the preferred scenario—in the order of magnitude of 4 to 4.5 percent a year—then we are not going to have the healthy economic growth that we ought to."

Mr. McCollam argued that even though low growth was now in the best financial interests of most power companies—whose construction debts have grown so high that reluctant investors have driven the price of all but a few of the utilities' common stocks below book value—the country should nonetheless strive for higher, rather than lower, electricity growth. That, he asserted, would be in the best interests of the poor, because it would allow greater economic growth.

THE INDUSTRY AS "THERMOMETER"

Others, however, argued that the goals of sufficient economic growth and slower electricity growth were not contradictory. They maintained that, regardless of the level of economic activity in the future, encouraging proportionately less growth in electricity consumption would be in the best interest of all, because it would relieve inflationary pressures throughout the economy.

"If the patient is the nation, the utility industry is the thermometer, not the medicine," said Ernst Habicht Jr., a consultant who until recently had been the Environmental Defense Fund's authority on utili-

ties. "Short of war, providing electricity is the most capital-intensive thing man can do. With the prime rate hovering around 20 percent, it's the sort of thing we ought to be discouraging, not encouraging."

One reason why electricity growth has already tapered off in recent years is that economic growth has slowed considerably from the unusually high rates that marked the 1960's. The drop-off in electricity, however, has surpassed the dropoff in the economy. Utility economists say an assortment of factors have accounted for this.

For some tasks requiring energy, they say, people have switched from electricity to fossil fuels as the price of power has risen. A prime example is the home builder who no longer installs electric heat. And where they cannot switch, the experts say, people have begun to moderate their power consumption by, for example, specifying high-efficiency refrigerators and air-conditioners when they replace such equipment.

COSTLIEST ENERGY AVAILABLE

Such decisions often save a great deal of money because, in general, electricity is the most expensive form of energy one can buy. Although the initial cost of installing electric heating is low, the operating costs can be painfully high, especially in areas such as New York City, where the cost of electricity is more than twice the national average.

Even a comparison using the national average for residential rates, now approaching 4.5 cents a kilowatt hour, shows this to be true—if the figures are adjusted to account for pricing distortions introduced by various regulations.

At 4.5 cents a kilowatt hour, the cost of electricity is equal to almost \$2 for a gallon of oil, or roughly twice as much as consumers now pay for home heating oil. Several corrections have to be made, however, before a valid comparison is possible.

The typical oil heating system delivers only about two-thirds of the energy in the fuel to the rooms in the form of heat, while essentially all the electric energy fed to a baseboard heater is converted to heat. Moreover, oil prices are held in check by Federal controls on domestic crude oil.

Adjusting for these factors would appear to wipe out oil's advantage. Indeed, in areas of the country where power is cheap, electricity seems to come out ahead.

On the other hand, since electric utilities are regulated monopolies, their prices are based on the cost of operating existing power plants—even though the cost of electricity supplied from a new plant (the so-called marginal, or replacement, cost) may be almost twice as high.

After making this final adjustment, energy specialists say the real cost of heating a home with ordinary baseboard heaters is at least 50 percent greater than heating it with oil, despite the recent jump in oil prices.

"We're fooling people into thinking the electricity is cheaper than it is," Mr. Stelzer, the utility economist, said.

THE BURDEN OF CONVENIENCE

Similar comparisons can be made with any task that another form of energy can readily perform. In doing so, some energy analysts have concluded that it is foolish to use electricity for anything but the highly specialized jobs that only it can handle, such as powering motors and electronic equipment, or that it clearly does better, such as lighting and running certain industrial processes.

"We've been using electricity as a kind of convenience, shifting the enormous capital burden this places on society to the utility," said Thomas F. Widmer, vice president of engineering for the Thermo Electron Corporation, a manufacturer of highly efficient

industrial furnaces and other energy-related equipment. "But," he added, "I think the market is now starting to recognize that this is a no-win game."

Indeed, these days many individual utilities do seem to embrace the idea that the nation must move into an extended period of lower electricity growth. Incapable of raising the money they need to build new power plants, once-hesitant companies have decided that taking steps to trim demand and finding ways to meet more of the demand with their existing power plants may offer the only way out of their bind. Many have adopted such reforms as time-of-day prices—charging less for power during off-hours, when a lot of generating capacity is idle—while others have offered their customers low-cost loans to pay for insulation and have made other investments to reduce demand.

There are limits to how much such policies can accomplish, of course. Since domestic sources of oil, and to a lesser extent gas, do not meet all the demand, forcing the country to import both, even the energy analysts who are most bearish on the outlook for electricity concede that in the long run only a limited amount of substitution can occur. Most seem to believe that, regardless of how low the growth in electricity may go, demand for it will have to outpace that of oil and gas.

"The way we are going to replace, as opposed to conserve, oil is through electricity," commented Milton Russell, an analyst with Resources For the Future and a co-author of that group's recently published study, "Energy in America's Future."

In an interview, Mr. Russell predicted that, as oil prices rise in the decades ahead, electricity prices will grow steadily cheaper in comparison. The reason, he said, is that coal and uranium, the only two fuels that can be expected to increase their share of the utility market, will not rise in price as quickly as oil will.

But many energy analysts, including Mr. Russell, think oil and gas consumption in the United States is now on the decline. Thus, electricity growth could even be zero, and it would still surpass that of oil.

THE EFFICIENCY FACTOR

The analysts who expect very low electricity growth in the decades ahead stress, moreover, that substitution is not the only factor that will moderate consumption. The other, perhaps even more critical one, they say, is efficiency—doing the same task with less power.

One key contributor here could be the ubiquitous electric motor, which accounts for approximately 58 percent of all the electricity consumed in the United States, according to the Energy Department. Engineers note that, over the years, while energy was cheap, motor manufacturers gradually skimped on windings—the heart of the motor—to save copper, significantly lowering its efficiency. But now, with the price of electricity so high, product designers say it is worthwhile buying motors with better windings; despite the high cost of copper, the more costly but more efficient motor can save enough power to pay for itself.

Even more promising are advances being made in motor drives, the devices that control motors, particularly those in industrial applications. Electronic versions are now coming on the market that promise to cut power consumption by half.

Efficiency improvements are also possible where the power is generated, energy analysts say. These would allow utilities to generate more electricity without a corresponding increase in fuel consumption.

For some time, utilities have been working with more complex power generating cycles—so-called combined cycles—that offer considerable increases in efficiency. In addition, they have begun to experiment with whole new approaches such as fuel cells, which convert fuel directly into electricity without combustion. And other advanced ways to make power from conventional fuels are on the drawing boards.

[From the Boston Globe, Apr. 2, 1980]

N.E. UTILITIES CUT PROJECTED DEMAND (By Jerry Ackerman)

New England's electric utility companies yesterday said energy conservation efforts and increasing prices have led to a sharp cutback in the growth expected in the region's demand for electricity over the next 15 years.

The utilities' planning arm, the New England Power Pool (NEPOOL) said demand for electricity is now expected to increase only an average of 2.6 percent a year through 1995.

The projection represents a reduction of 40 percent from last year's forecast of 4.3 percent annual growth over the same period. That forecast became outdated in less than a year as 1979 sales of electricity in New England rose by barely 2 percent.

NEPOOL's forecasts, often criticized for their optimism by opponents of new nuclear power plants, are used by member companies and public officials for scheduling new power-plant construction and retirement of obsolete generating equipment.

The projections have been declining annually since 1973, when an oil embargo started driving up prices and encouraging conservation by customers. Before then NEPOOL consistently projected sales growth at 7 percent a year and more.

NEPOOL said in the report it filed yesterday with the Massachusetts Energy Facilities Siting Council that with completion of plants now being built or planned, the region will have excess, or reserve, generating capacity through 1992.

That reserve capacity will reach its peak in 1986-87 at 42.4 percent, or more than double what the power-generating industry considers to be a safe margin, if four nuclear plants now under construction are completed on schedule.

Those four, and their scheduled completion dates, are the Public Service Co. of New Hampshire's two reactors at Seabrook, N.H. (April 1983 and February 1985); Boston Edison Co.'s Pilgrim 2 reactor at Plymouth (December 1985), and Northeast Utilities' Millstone 3 reactor at Waterford, Conn. (May 1986).

Until then, however, NEPOOL planning director James R. Smith said, the region will remain heavily dependent on oil for its electrical generation. "It is especially critical that all non-oil-fired capacity be built as scheduled . . . to prevent energy deficiencies and to achieve the lower possible price . . .," he said.

Smith said the largest adjustment incorporated into the long-term forecast this year is an expectation of a surge in use of controlled storage space heating and water heating equipment.

Widespread use of these devices, which draw electricity intermittently to even out present twice-a-day peak demands for power will reduce the needs for new generating capacity by 800 megawatts, about equal to one large coal-fired or nuclear plant. ●

**ORANGE COAST COLLEGE
SPEECH CHAMPIONSHIP**

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BADHAM. Mr. Speaker, I bring to my colleagues' attention Orange Coast College's unprecedented second consecutive national speech championship.

The national tournament was held in Kansas City from April 3 through 7 and featured nearly 100 teams from throughout the United States.

Capturing the national championship capped a highly successful year for the Orange Coast College team which finished the 1979-80 season unbeaten, which included the California State title. It is difficult to encounter more success than that.

The OCC team consisted of Richard Riley of Costa Mesa who won two gold medals, a silver, and a bronze and was named the No. 2 individual speaker in the national tournament. Richard's effort was supported by Joel Swenson, also of Costa Mesa, who finished fourth overall in the tournament with three medals—one gold and two bronze.

Geb Small of Irvine and Lela Barbosa of Huntington Beach both won gold medals in the Lincoln-Douglas debate. Lela also earned silver medals in advocacy debate and impromptu.

Other gold medal winners were: Shelly Chase of Newport Beach; Jennifer Hazeltine of Costa Mesa, who also was awarded two bronze; Susan Kirwan, also awarded two bronze; Richard Rieth of Costa Mesa, also a silver; and, Brian Warrick of Costa Mesa who also was awarded a bronze in prose.

Rounding out the field of medal winners for the OCC team were: Alice Ensor of Costa Mesa, silver; Ken Clay of Costa Mesa, silver; Beth Doss of Newport Beach, two bronze; Mark Gauthier and Dave Natkin of Costa Mesa, bronze.

If the speech team continues their winning ways, Orange Coast College will soon become Fort Knox West.●

**FOREIGN CONVENTION
DEDUCTION PROBLEMS ABROAD**

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ALEXANDER. Mr. Speaker, today I continue inserting into the RECORD a summary of the issues and problems which concern Americans living and working abroad.

ISSUE No. 37

Short title: Foreign Convention Deduction Problems Abroad.

Summary of the problem: U.S. tax laws allow an individual to deduct for expenses of attending a maximum of two foreign con-

EXTENSIONS OF REMARKS

ventions each year. While this limit may meet a legitimate objective of the Congress when it applies to Americans living in the United States, it seems inappropriate and highly discriminatory when it is applied equally to Americans living abroad. Indeed it can mean that Americans are not given tax protection for attending more than two conventions even in the city where they reside abroad.

ACA's question: Why do U.S. tax rules not recognize the economic realities of the overseas American in this situation?

The President's reply: The present rules limiting deductions for expenses incurred in attending foreign conventions to two such conventions a year were introduced in 1976. The Administration considers those rules inadequate to prevent abuse and burdensome on the taxpayer in terms of reporting requirements. In January 1978, the Administration proposed new legislation in which the deduction would have depended on whether it was reasonable to hold a convention at a foreign location. One test of reasonableness was to have been whether a substantial portion of the members resided in that country. That would have alleviated the problem faced by overseas taxpayers who attend conventions in their country of residence. The Congress did not accept the Administration's proposal; no further initiative on this matter is planned by the Administration at this time in view of the recent congressional consideration.

ACA's renewed question: ACA would like to ask the President anew if he feels that the present practice is an equitable treatment of overseas citizens? This needs to be established before any attempt can be made to define suitable redress. While the President chose not to address this question directly, his reply suggests that he does consider there to be grounds for justifying a change.

We regret that the President has chosen to take no further action on this issue. We would like to believe that if he feels that there is a problem of equitable treatment of the overseas taxpayer involved he will feel justified in proposing a suitable form of redress.

ISSUE No. 38

Short title: Disallowance of Contributions to Foreign Charities and Churches.

Summary of the problem: One of the basic acts of good citizenship and contribution to the life of the local community is the willingness of an individual to make voluntary contributions to local churches and charities.

The U.S. tax code permits Americans living in the United States to deduct such contributions from their taxable income. This same deduction is not allowed for Americans living overseas.

ACA's question: What principle of equity justifies this discrimination?

The President's reply: The rules pertaining to the deductibility of charitable contributions made by a U.S. taxpayer are the same, regardless of where the taxpayer lives. To be deductible, contributions must be to an organization organized and operated exclusively for charitable purposes and the funds must be used for the same charitable purpose. The Internal Revenue Service requires charitable organizations to be accountable; there would be virtually no way it could make a foreign organization accountable and ensure that the funds are used for charitable purposes. Contributions to U.S. charities which are used abroad may be deducted; thus, while a contribution cannot be deducted if made directly to a foreign charity, deductions can be taken for amounts spent on charitable purposes in a

foreign country by a U.S. charity whose books and records are available to the Internal Revenue Service.

ACA's renewed question: It is hard to understand why such rules and interpretations have so consistently been made other than to harass and abuse Americans abroad. We fail to understand why contributing to local churches and charities is recognized as a tax-deductible expenditure in one location and not in another.

The President's explanation of what constitutes a credible charity or church for IRS deduction purposes is not convincing. Using the same logic, the United States could maintain that no taxes paid abroad can be credited against U.S. taxes at home because the IRS cannot audit the books of the foreign country!

Mr. President, we ask that this issue be examined once again. It is self-evidently unfair to make these contributions abroad ineligible for the same deduction they would have at home. And, our practice is a most unfortunate notice to the rest of the world that we have no concern whether or not our overseas citizens act as good local participants in their communities abroad. If they act as generously abroad as they do at home, it will cost them much more in U.S. tax.

We seek redress. Why not simply have the overseas American sign a statement to the effect that he believes the charity to which he is contributing, and for which he is claiming a U.S. tax deduction is a true charity. The U.S. has to rely on the overseas American's integrity in declaring his income, why not use the same standard in accepting his charitable contributions?●

**PRODUCTIVITY IN THE AUTO
INDUSTRY**

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LaFALCE. Mr. Speaker, one of the most serious problems in today's economy is declining productivity, which is undermining the basic health and vitality of the economy. Without improved productivity, the battle against double-digit inflation will be doomed from the very outset.

Of the many industries experiencing economic difficulties at the present time, the auto industry is perhaps the most seriously affected. During the lengthy hearings concerning the extension of loan guarantees to the Chrysler Corp., many reasons were given for the current crisis within the industry, including auto imports, the price of gasoline and the proliferation of Government regulations.

Some commentators believe the malaise in the auto industry has been caused by its workers. However, a recent article in the New York Times by an anonymous autoworker suggests that the question of quality of workmanship should not be directed at the workers, but rather at the management of the companies. I want to share this article with all of my colleagues, because it is a very telling, as well as distressing, commentary on one of the most important industries in this country.

The article follows:

COMPANY LINE
(By John Jones)

"Can you take pride in building a Pinto?" To me, this is not a rhetorical question. I've helped make tens of thousands of them. When I'm asked, "How can you build those death traps?", I patiently respond that the manufacturers take the position that auto workers are contractually barred from designing the cars and have no control over the quality of materials or the methods of construction. We have little say about how much we are expected to do in the minute or so we work on each car.

Yet with all the problems that the United States auto industry faces—gasoline prices soaring, credit drying up, sales falling, foreign cars taking more of the market, expensive retooling needed to produce fuel-efficient cars, Government issuance of regulations on safety and pollution, Chrysler's continuing flirtation with bankruptcy—some experts still point to the worker's "lack of productivity" and "lost work ethic" as the key problems facing the American automobile industry.

Assembly-line jobs are repetitive, dreary, boring and draining. They require little or no initiative and allow for little or no creativity. Yet I have always tried to do my best, and so have most of the workers I have known in 12 years of working in various blue collar jobs. I do my best because there is more self-respect in doing even this type of job well than in doing it poorly, and because otherwise it would be impossible to get through the day—a day that sometimes stretches for 10 hours—because the boredom would be so intense. But there are limits.

I was working on a sub-assembly line in an auto-parts plant. We were expected to produce 330 fire-wall assemblies per hour—five and a half per minute. My job consisted of several motions: I put two separate pieces of metal in a press, then pushed buttons to close it and weld the metal together. One had to become as machine-like as possible, repeating each motion exactly. I could, and often did, do the job perfectly without looking. The only way to talk to me over the noise was to yell sentence fragments in my ear every few seconds when I briefly leaned away from the machine.

Though inspection wasn't part of my job, I picked out and threw aside defective pieces—until one day the foreman poured a box of the scrap I'd thrown aside into my bin and told me to use it. On another occasion, in a different auto plant, a foreman told me that he was getting in trouble for scrapping too many pieces—not that they weren't scrap, he realized.

In that same plant, on the main assembly line, I tighten bolts that hold a key part in place. Once the air wrench wasn't strong enough to do the job. The bolts weren't loose to the touch, which was the way the inspector down the line checked them, but they weren't tight enough to withstand the vibrations that they would take with the motor running. I complained to the foreman but the wrench wasn't changed and a day's worth of cars had bolts that looked tight but weren't. Later, I told six foremen that another piece of equipment wasn't working properly and I wasn't able to tighten bolts. It wasn't fixed until the next day when the pick-up man couldn't catch the cars I was missing together with his other responsibilities. Malfunctioning production equipment endangers not only automobile owners but also assembly-line workers.

In all the shops I've worked, there are signs on the walls about quality but the foremen concern themselves with what they know will get them promoted or chewed out—how many X's are being produced, at

what cost? Corporate policy is not found in fancy phrases from executive suites about quality of products and concern for human life and injury; rather, it is found in how the shop floor is run and what affects the profit picture.

Recently, my company rented some foreign cars and brought in small groups of workers to compare them with the cars we make. There was a questionnaire distributed with the usual requests for suggestions (rumor had it that the most popular was "slow down the line"). We were also asked why we thought Japanese workers took more pride in their work. The company's apparent purpose was to encourage us to take more pride in our work.

I asked the supervisor running the comparison, "Isn't 90 percent of the difference between their cars and ours not better workmanship but rather better engineering and design and better-quality materials?"

"Yes," he agreed.

Knowing a case where the same car is made in two countries, I asked him, "Aren't the American-made VW Rabbits just as good as the German-made Rabbits?"

"No," he replied. "The American Rabbits are better."

If this is so, then American workers haven't lost pride in their work; those who control the workplace have. ●

**SMALL SAVERS' INCENTIVES
THROUGH BANKING REFORM**

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FISHER. Mr. Speaker, the recently enacted Depository Institutions Deregulation and Monetary Control Act, Public Law 96-221, is a landmark law that provides savings incentives to small savers and at the same time helps to promote stability and competition among financial institutions.

The new law has several components of particular importance to savers. First, it phases out over a 6-year period the current ceilings on interest rates commonly known as regulation Q. I have heard from a number of my constituents who are distressed by the low-interest earnings on regular pass-book accounts. It is no wonder that the small saver feels cheated when interest charges on mortgages and short-term consumer loans exceed 15 percent while interest earnings on pass-book savings accounts remain at a mere 5½ percent. Although there are other higher yielding alternatives to be found, such as certificates of deposit (CD) and money market certificates, the large minimum deposit requirements and early withdrawal penalties effectively preclude small savers from investing in them. As regulation Q is phased out, the small saver will begin to enjoy interest earnings which are more nearly commensurate with amounts presently paid on CD's and the like. This provision coupled with the recently enacted income tax deduction of up to \$400 on interest and dividends, will give savers and investors, especially smaller ones, a better return.

Also aimed at protecting the small saver is a provision of Public Law 96-221 which affirms the right of financial institutions to offer certain transaction accounts. By way of background, a 1979 U.S. Appeals Court decision held that bank regulatory agencies lacked the legal authority to permit financial institutions to offer their customers such innovative banking services as credit union share draft accounts, negotiable orders of withdrawal (NOW) accounts, bill payor accounts, and 24-hour banking privileges. Unless Congress authorized their use by January 1, 1980, later extended to March 31, 1980, these accounts would become illegal. Fortunately, the Congress took the necessary action before the deadline, because the suspension or termination of these accounts would have created havoc for both financial institutions and their customers. In my view, the benefits which depositors derive from the use of these progressive banking arrangements are substantial in terms of convenience and additional interest earnings and I supported these new kinds of checking accounts.

Inflation, accompanied by high interest rates and a tight money market, has also threatened the financial stability of depository institutions. Public Law 96-221 encourages a greater utilization of these institutions for borrowing and investing purposes while also providing increased competition among them. For example, the law will permit savings and loan associations (S. & L.'s) for the first time to issue credit cards and make short-term consumer loans; it will also broaden the loan-making authority of credit unions. This new authority should increase the earnings capacity of thrift institutions. By the same token, commercial banks, for the first time in many years, are given the authority to pay the same interest rates as S. & L.'s on savings accounts. Currently S. & L.'s enjoy a one-fourth of 1-percent interest advantage over commercial banks. Bank customers will reap the rewards of increased competition through a wider array of services at a greater number of financial institutions.

Recent years have witnessed a decline in bank membership in the Federal Reserve System (FRS), principally because of the reserve requirements imposed on member banks. In withdrawing from the system, many banks, especially the smaller ones, have concluded that the cost of holding noninterest-bearing reserves, particularly during a period of high interest rates, exceeds the value of FRS services. There are those who believe that the ability of the Federal Reserve Board to control our monetary system effectively has been weakened by the steady decline in the percentage of deposits covered by the reserve control. Public Law 96-221 attempts to strengthen the FRS by extending reserve requirements to all banks, both member and nonmember. Member

banks will benefit from this change because their financial burden will be reduced. Although the law does impose an additional obligation on nonmember banks, it also permits these institutions access to the Fed's discount window and other services previously available only to member banks.

Current events point out the hardships which high interest rates impose on individuals. Any structural changes, such as Public Law 96-221, which serve to mitigate the need for such high interest rates to combat inflation, will be beneficial to the public at large. By providing the Fed with greater control over all bank deposits, interest rates need not be so high nor credit-tightening policies so stringent in order for the Fed to achieve its monetary goals.

The Depository Institutions Deregulation and Monetary Control Act is not a panacea. In fact, some of the law's benefits will not be realized for several years. It is important that some of the proposed reforms are phased in over a period of years in order to assure the uninterrupted flow of essential services to the public and to prevent dislocation in the financial marketplace. However, the law does represent a concerted effort by the Congress to encourage savings and to help restore stability among financial institutions by releasing them from certain regulatory shackles. I am confident the changes and innovations in this legislation will prove to be of considerable benefit to the people of northern Virginia as well as the whole country.●

LEST WE FORGET

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RANGEL. Mr. Speaker, I rise today on this second day of National Secretaries Week to pay tribute to the one staff member no office could function without. I am of course referring to those individuals without whose tireless and sometimes thankless effort the semblance of order which exists in our offices would quickly dissipate into a chaotic mass of confusion.

Secretaries in their day-to-day work are so integral to our existence that we tend to take them for granted. This week is therefore set aside to acknowledge their fine work and to show them our appreciation for all that they do.

I would like to pay special tribute to Ms. Patricia Bradley, Ms. Barbara Hamlett, Ms. Rebecca James, Ms. Brenda Swygert, and Ms. Sarah Abrams, the finest collection of secretaries in the Nation.●

CARTER NUCLEAR POLICY DEALINGS KILL GOOD NEIGHBOR POLICY IN SOUTH AMERICA

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WYDLER. Mr. Speaker, I returned this week from a visit to the South American countries of Brazil and Argentina. I discovered that the Carter administration's nonproliferation policy has been the most divisive factor in the relations between the United States and these two formerly very friendly countries. This administration has attempted to implement a policy of nuclear and military technology denial, coupled with an inflexible approach to human rights as seen from an American perspective, that is quite simply guaranteed to alienate these nations for the rest of the century. The President has killed the 40-year-old good-neighbor policy of Franklin Delano Roosevelt.

President Carter set out to deny these countries technology, but his policy has simply resulted in a denial of potential customers for the U.S. nuclear industry as well as a decline in other U.S. commercial activity. At the same time, we have much less influence with these countries and they have obtained the nuclear materials and technology from other peaceful nations as well as our enemies.

I was stunned to see that all the equipment for fuel cladding fabrication was from the Soviet Union. Thus, the Carter policy has reached the ultimate absurd step of counterproductivity in that we have not only lost our ability to influence these friendly nations, but we have provided an entry for Soviet nuclear technology into South America.

The Economist published an article in its March 1, 1980, edition which suggests that Mr. Carter must adopt a realistic policy toward nuclear proliferation based on case-by-case bilateral agreements rather than this inflexible across-the-board approach.

The article follows:

BUT IT IS POSSIBLE TO MAKE NUCLEAR PROLIFERATION LESS TEMPTING

Three years ago, when all the world was young, a newly elected American president launched a moral crusade to drive plutonium out of the world's nuclear power industry—because, he argued, it could too easily be used to make bombs.

Three years later, a disillusioned president, fighting for his second term, needs to divert some of his energies to rescuing his policy from the deep-freeze into which the outcry of America's allies and nuclear clients has thrust it since 1977. The deep-freeze—the International Fuel Cycle Evaluation programme (Infce)—was one of the most expensive ever constructed. It consisted of an exhaustive study of all the technical aspects of proliferation and nuclear power, carried out in huge working sessions by thousands of engineers, diplomats and civil servants. They succeeded this week in producing the small miracle of a report which has some useful pointers to the

future, and a communique on which everyone can agree.

The matter is now back, uncomfortably, in the hands of the politicians, who should never have tried to pass the buck in the first place.

ANYONE CAN HAVE A BOMB

Making a bomb is scientifically simple, but technologically relatively demanding. It requires, even for a developed country, a disproportionate diversion of national engineering and scientific effort. But it can now be done relatively quickly by countries with a well-educated engineering elite. Pakistan appears to be well on the way to it; India has already exploded a nuclear device; Israel is thought to have a bomb. A country like Taiwan, starting from scratch now, could probably have a deliverable bomb by the late 1980s.

The essence of an anti-proliferation policy is therefore to recognize that there are no central secrets to protect, no simple ways of stopping dead all would-be bomb-makers. But there are lots of ways of reducing the ease with which a bomb can be made, reducing the political need to make one, reducing the convenience of doing so, limiting the opportunity to switch clandestinely into bomb-making, and increasing the cost.

The Carter policy usefully tried to attack some of these problems. But in doing so it harmed others. It argued that widespread use of plutonium would reduce the time necessary to make a bomb, and make the bomb-making process more obvious. This could encourage even well-intentioned countries to move towards bomb-making if they suspected their neighbours were less pure of mind. And all these ills would be inevitable if developed countries on the threshold of widespread plutonium use (e.g. France, Japan, West Germany) were to set the fashion for less developed countries to follow, or—worse still—sell them the reprocessing hardware to make plutonium out of nuclear fuel.

Countries with less uranium than the United States were unconvinced that there was enough of the stuff available, without political strings attached, to make it safe to delay developing the plants to reprocess and handle plutonium. In any case, they argued, there are easier and cheaper ways of making a bomb than building a civil nuclear power industry, as Pakistan bids fair to prove.

America's attempts to use its dominant, but weakening, position as a nuclear supplier to enforce Mr. Carter's policy backfired. They encouraged America's allies to believe, or at least to argue, that the sooner they gained independence from such domination—by reprocessing plutonium and fast breeders—the better. Mr. Carter's aim was laudable; his methods seemed counter-productive.

Infce has not resolved these arguments between America, Europe and Japan. It says, correctly, that there is no single fuel cycle appropriate to all countries. It also says that there are proliferation risks attached to all the available technologies. Plutonium is not unique. Despite this vagueness, Infce's three years' labour has not been in vain. The reports contain one sentence that shines out among the flannelly bureaucratic prose:

It was accepted as a general principle that assurances of supply and assurances of non-proliferation are complementary.

In other words, the more countries are encouraged by promises of secure uranium supplies, the more they rely on the controllable world market—and the less tempted they are to build expensive nonsenses at home.

Let this be Mr. Carter's text. The American government cannot stop those of its

allies that wish to move into the plutonium age from doing so. It can put infuriating and inconvenient obstacles in the way of those countries that rely on its technology or uranium supplies, as it tried to do initially against the EEC and Japan. But it cannot stop a country which is no longer dependent on American technology (like West Germany) getting hold of uranium not covered by a ban on reprocessing (from, eg, Niger), enriching it in a non-American enrichment plant (like the two European ones nearing full operation) and subsequently turning it into plutonium.

The principal argument against such a course of action is simply commercial. At the moment, as most at Infce saw, fast breeders are not economic. Nor, probably, is reprocessing of spent fuel for conventional reactors. Infce offers some sensible thoughts on measures that could make autarky as politically silly as it already is commercially—through, eg, international or multinational reprocessing centres. They should be given political momentum.

For the rest, the initiative is with Mr. Carter. He is constrained by America's nuclear proliferation legislation, which forces him to attempt to continue the stalled negotiations with Japan (about permission to run American-supplied fuel through a Japanese reprocessing plant at Tokai Mura) and with the EEC (to get the EEC to accept a ban on reprocessing spent American-Supplied fuel). He will do his best to delay the difficult part of these negotiations until he has time to give to the problems, and perhaps a different congress to legislate afresh on them.

In the meantime, he should continue to grant the case-by-case approval for reprocessing which American law demands, with the same relative freedom as he has done during Infce. Unfortunately, case-by-case policy, which can be enforced whimsically as presidential and congressional attitudes change, is no substitute for a lasting set of rules which would make nuclear fuel supplies less chancy. In short, for the Jimmy Carter of 1980, the world is more complex than it seemed in 1977. But, then, in several other ways, Mr. Carter has already learnt that lesson, hasn't he?

BRACING FOR THE YEAR 2000

HON. LES AU COIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. AU COIN. Mr. Speaker, as chairman of the Task Force on Innovation, I want to call the attention of Members to a speech recently given by Mr. James Affleck, president of American Cyanamid. The speech, which was given as part of the distinguished lecture series at Patterson College, states clearly what many in government are just beginning to discover; that the best hope for maintaining our economic strength in the world lies in more and better innovation in American industry. As Mr. Affleck states, the country can best foster innovation by creating a regulatory and economic environment that encourages industry to put new ideas to work.

Mr. Speaker, I insert Mr. Affleck's speech in the RECORD:

BRACING FOR THE YEAR 2000

Americans are now having second thoughts about our retreat from science and technology.

In our antitechnology bias of the 1960s, we saw only the destruction technology could cause—as in Vietnam. As a nation, we came to distrust scientific advances and to shun innovation. Increased consumerist pressure and government regulation, combined with inflation, had a severe dampening effect on industrial and academic technological development.

The results are apparent. By 1960, 82 percent of all major innovations brought to market had been developed in the U.S. At the end of the decade that figure had declined to 55 percent.

In 1967 we generated more than one-third of the world's science. Today it's about one-quarter and declining annually.

What we failed to see until recently were the opposing dangers. The perils in not developing new technology. The danger of running out of energy. The effects of slow economic growth on the poor and on the social gains made by minorities. And the very real danger that countries less tolerant of individual liberty and human rights may not slow their pace of growth—even if we reduce ours.

Americans have begun to realize that as a nation we cannot survive in today's world without high technology. Much of our raw materials and energy come from Third World countries which are in political or religious upheaval. Our only legitimate hope is to develop technologies that will make us self sufficient in energy and more efficient in the use of raw materials.

In these and many other fields, U.S. industry must develop high risk, breakthrough technology. We must take the lead and keep our competitive advantage.

But if the U.S. is to remain competitive against the challenge of other countries, the Federal government is going to have to be realistic about what this challenge involves.

In both Germany and Japan—and for that matter, in practically all foreign countries—industry and government work together closely to achieve their national economic objectives. They recognize that the competition is the United States.

Here, Government and industry too often have been in adversary positions, with Government restraining rather than abetting industry's ability to innovate and compete in world markets. This has been particularly harmful to our nation over the past 20 years.

During those years, innovative gains in other countries—backed by more favorable government policies—have enabled them to turn out new products at lower cost, undercutting American competitiveness at home and abroad.

Our competitive position has been further weakened by the fact that the fabled productivity of the U.S. has been sliding. From 1967 to 1973 we managed an annual productivity increase of only 2.1 percent. After 1973, that figure fell to 1 percent a year. And it is virtually flat today.

To compete successfully in the 1980s and 1990s, we must nurture technology. We must rekindle the innovative spirit of American industry.

I'd like to pinpoint four critical areas where I believe changes are needed.

First, accessibility to venture capital.

We must rework our tax system to eliminate taxation of savings and of investment needed for new high risk technological and business ventures. Under our current system, there is insufficient incentive to save or to invest. Consequently, the rate of personal savings in the U.S. is lower than

that of any of our major trade competitors. We must have a national tax system that provides incentives for savings and investment.

A second area requiring change is patent protection.

The translation of research and development into new products is a complex and risky business. For example, it now takes an average of 8 years and \$57 million in research and development costs before a new pharmaceutical can be brought to market. The U.S. patent system allows 17 years on a patent. With 7 years spent before marketing, the effective life of that patent is only 9 years. This substantially increases the risk involved in developing a new pharmaceutical. And if a company can't be assured of a reasonable flow of profits from its new products, there will be no money for new research into cures for diseases such as cancer and arthritis. Extended patent protection would help to compensate for the increased time required in testing or in meeting regulatory delays, which is a third critical area—regulatory reform.

The burden of excessive regulation has made it virtually impossible for many innovative companies to continue the kind of high-risk, long-term research they have been noted for in the past.

I am not against reasonable and cost-effective regulations that make real improvements in health, safety and the environment. However, rigid standards have been mandated by some regulatory agencies without regard for economic impact—and too often with only marginal improvements in safety or the environment. Excessive regulation of that sort is outrageously expensive. The nation can't afford it.

We are going to have to weigh the improvements against the costs and the risks against the benefits if we are to provide a reasonable regulatory climate. Unless the cost of compliance is producing the results that we, the public, want, we are wasting money that could be used for research, development and industrial expansion.

Fourth, basic research must be increased.

Much of the fundamental knowledge needed to create new science comes from basic research. This kind of conceptual exploration accounted for our rapid technological advancement in the past.

I am concerned, however, that because of a slowdown in basic research—both in funding and in the number of students enrolled in advanced science programs—we may not have the underlying foundation of science necessary to support our future technological needs. Much basic research is done at the university level, sponsored by government or industry.

I believe we need to provide a climate in the U.S. that will encourage closer relationships between industry and the university. Basic research may provide a new idea. But to bring that idea to fruition requires millions of dollars plus the know-how to develop, test, manufacture, and market it.

Only industry can do that.

Finally, to insure a climate favorable to innovation, the public must take renewed interest and pride in America's technical and scientific achievements.

If we are to progress through the 1980s with realistic hopes and not find ourselves headed for the year 2000 as a second-rate world power, with second-rate living standards, we are going to have to move ahead with first-rate science, technology and innovation.●

THE OVERPAYMENTS PROBLEM

HON. RONALD M. MOTT

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MOTT. Mr. Speaker, today I have introduced a bill to authorize the Administrator of Veterans' Affairs to deduct the amount of overpayment of veterans' benefits from any future payment to the beneficiary, and to require that interest be charged on the amount of overpayment of veterans' benefits if this indebtedness is not repaid within a reasonable time.

This bill is another step in the continuing efforts of myself and other members of the Committee on Veterans' Affairs to insure that the Veterans' Administration has the tools necessary to recover the staggering amount of funds wrongly distributed due to error or fraud.

The Subcommittee on Special Investigations, which I chair, has held a number of hearings on the subject of overpayments and what the VA is doing to recover these funds. We have found that the VA has uncertain authority to take some steps that would seem fundamental to any effective collection effort. Most of these overpayments are related to educational benefits.

With respect to charging interest on these debts to the Government, Mr. Ronald F. Lauve of the General Accounting Office told the subcommittee on April 1:

We estimate that the VA's failure to charge interest on its present balance of \$600 million of educational assistance overpayments will cost the American taxpayers about \$90 million this year in unrecovered interest.

There has been debate within the administration as to whether the VA presently has legal authority to charge interest on these outstanding debts. This bill would erase that doubt.

Charging interest on these overpayments will create a strong incentive for the veteran to settle his accounts with the Government. So as to encourage an informal settlement process, interest would not be charged if the veteran satisfies his debt within a reasonable time after notification by the VA of its existence.

The bill also makes explicit in law the VA's authority to offset a particular overpayment debt owed by a veteran against any new claim for veterans' benefits that veteran may file.

Our goal is simply to assure that taxpayers' dollars are efficiently spent for the benefit of deserving veterans who properly qualify under law for various veterans' programs. Veterans' organizations have been supportive of our efforts in Congress to press for the recovery of misdirected VA funds.

An Amvets witness told us:

We believe that it is incumbent upon the Government to utilize whatever means is required to recoup these overpayments. It is

unfair to penalize the taxpayers, who have been most generous in funding the various veteran programs, with this additional unwarranted burden.

In this time of belt-tightening and budget-cutting that threatens the fiber of VA programs as well as other Government activities, a comment by a VFW witness says about all that is necessary on the need for this bill:

The enormity of this indebtedness can be more readily envisioned if one realizes that even at today's inflationary prices, \$600 million would build four 500-bed hospitals.●

THE "WASHINGTON EAR" READS TO THE BLIND

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BARNES. Mr. Speaker, a closed-circuit radio reading service in my district, the Washington Ear, provides an important resource to thousands of blind and visually handicapped people in the Washington metropolitan area. The Washington Ear and a rapidly growing group of organizations like it around the country provide a vital source of information by reading newspapers, magazines, books, and other sources of news and entertainment which may not be readily available to the millions of blind or visually impaired Americans eager to enjoy them.

On April 17, the Washington Post ran a profile of the Washington Ear, which is based in Silver Spring, Md. I submit the article for the information of my colleagues.

THE WASHINGTON EAR: RADIO VOLUNTEERS GIVE SIGHT TO BLIND

(By Bart Barnes)

Don Thomasberg, a Falls Church insurance agent, gets up at 5 a.m. Fridays. He dresses quickly, bolts down a cup of coffee, then drives halfway around the Beltway to spend two hours in a Silver Spring church reading the morning newspapers.

About 10 miles away in a Foggy Bottom apartment, Philip Sklover, a blind lawyer with the Equal Employment Opportunity Commission, flips a radio switch, climbs into a hot tub of water and listens to the news—read over the radio broadcast by Thomasberg.

"I soak up the news while I'm soaking in the tub," says Sklover, 36, who lost his sight four years ago from an as-yet undiagnosed disease.

Thomasberg, one of about 200 volunteer readers, is part of Washington Ear, a closed-circuit radio reading service that reaches about 2,000 blind and visually impaired people throughout the area.

"I always listen to The Post for two hours when I get up in the morning," says Sklover. "Then when I get home from work at night I have a glass of wine and listen to The Star for two hours. I think I am better informed now than I was four years ago when I had the ability to read."

Thomasberg has been reading The Post over closed-circuit radio from 7 to 9 a.m. on Fridays for nearly five years.

"My original motivation for doing this was the ham in me," he says. "It was a chance to

get on the air without having to go through the rigors of the commercial routine.

"Now I'm enjoying it so much that I go around at night giving talks to service clubs and civic groups on Washington Ear."

Washington Ear was launched five years ago through the efforts of Margaret Rockwell of Silver Spring. When it first began, it was one of only five such services in the nation. Now there are at least 80, and more are being organized every month.

"We do several things," says Rockwell. "We read popular magazines. We read best-seller books in serial form. We read the grocery ads. And we read The Post and The Star."

"So much of everyday conversation topics comes from what people are reading in the newspapers. It's important not to have handicapped people cut off from that."

Rockwell's interest in a reading service began because of her own problems. In the early 1960's, while she was completing her Ph.D. at the University of Maryland, Rockwell learned she had a progressive eye disease. Now, because of the disease, she is legally blind.

In 1973, nearly 10 years after earning her doctorate, Rockwell heard about a radio reading service for the blind in Minnesota and immediately set out to organize the Washington Ear. It took a year to raise enough money, line up volunteer readers and find enough equipment to start the program in Washington.

Finally, after local governments and the Cafritz Foundation contributed \$100,000, Washington Ear broadcast its first program on a sub-channel of WETA-FM. There was an audience of 63, all of whom had special receivers. The date was Nov. 4, 1974, and Don Thomasberg did the first broadcast.

At first, Washington Ear was on the air only 30 hours a week. Now broadcasts begin just before 7 a.m. and sign off at 11 p.m. Local governments contribute about 85 percent of the program's \$123,000 annual operating budget; the remainder comes from individual donations foundation grants.

Just a few months ago, the operation moved from the Woodmoor Shopping Center on University Boulevard to the Marvin Memorial United Methodist Church across the street.

The aid of the broadcasts, says Rockwell, is to help the blind and visually impaired experience what they cannot see.

Thus, when a newspaper is being broadcast, not only are the stories and headlines read, but pictures and cartoons are described. There is not time, of course, to read all of The Post or The Star in the two hours a day that each paper is allotted, so the readers have to make judgment calls. Occasionally, says Thomasberg, listeners call to complain about stories being left out.

Bestsellers are read from 10 a.m. to 11 a.m. and 10 p.m. to 11 p.m. weekdays, and for purposes of Washington Ear's mission it is vital that the selection be current. The Library of Congress and a variety of organizations that aid the blind have been making tape recordings of books for years, but they usually are available two or three years after publication. Washington Ear is one of the few ways blind people can hear what everyone else is reading, while everyone else is still reading it.

"It puts you in touch with the world community in a more active manner. You're on the same track of movement as everyone else," says Beth Ostrowski of Laurel, who as a teen-ager lost her eyesight to a disease called retinitis pigmentosa.

Ostrowski, a service representative with the Social Security Administration, has been listening to Washington Ear almost since the first broadcast.

"Just the idea that you have the option (of listening or not) is so meaningful," says Ostrowski. "If you've never lost the option, then you don't know what the restriction feels like."

Washington Ear also tries to provide listeners with tips and hints on how people can function with their handicaps.

For instance, Phyllis Burson, 40, a blind psychologist from Silver Spring, does a program with two other visually impaired people called "Cooking, Cleaning and Coping."

"We've talked about relationships with other people, raising children, doing home repairs and relations with families," said Burson.

Most Washington Ear volunteer readers are retired people who find reading at Washington Ear a useful way to spend some of their time.

Joe Cochran, 54, of Silver Spring, for example, has been reading *The Washington Star* on Mondays from 3 to 5 p.m. for five years.

"Lots of people have been good to me so I figured I have some debts to repay," said Cochran, retired publications chief for the U.S. Army Criminal Investigations Command. "I decided I wanted to do something in my retirement and this is one thing that I enjoy."●

MARRIAGE TAXES

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LEE. Mr. Speaker, Uncle Sam is a fickle fellow. Back in 1948 he was encouraging Americans to take a spouse; today he's seemingly encouraging us to live outside the vows of marriage.

Because of Uncle Sam's rules, this is the week when accountants and spouses take shelter from angered victims of the Internal Revenue Codes, specifically the one which punishes American married couples in which both partners hold meaningful jobs.

The so-called marriage tax is, more than a specific policy to penalize married couples, the result of recent hard times and the changing values in our Nation's families. Regardless of the reason for its being, it must be eliminated.

In 1948, Federal tax laws were changed to allow married couples a tax break which singles could not claim. When it was done, the Nation was still very much of a traditional, male head-of-household bastion. When wives worked, it was at that time often for a very small percentage of the total household income: "pin money," so to speak.

Things are very much different today. The two-income household is no longer uncommon and no longer purely by choice. Often without both partners at work, the economics of survival itself would be impossible. Uncle Sam's laws have not yet caught up to that difference. The result is that the Government seems to be encouraging you to live together—because two really can live cheaper than both on their own—but without the benefit of marriage vows.

As many as 13 million American married couples today are paying the marriage tax. Let me cite two examples.

In 1979, if two persons both earning \$10,000 each simply lived together and shared expenses while paying their taxes as single persons, their total tax bill would be \$2,354. If however, they married, their tax bill would have amounted to \$2,745.

If that same couple doubled their earnings so that each made \$20,000 annually, the penalty would rise dramatically. Filing taxes as single persons, they would pay a total of \$7,674. Filing together as a married couple, they would pay \$9,366, a \$1,692 penalty.

In other words, the married couple would be paying \$846 each, or \$70.50 each monthly in extra taxes for the right to call one another spouse. As one of my colleagues here said, most married couples find the experience itself to be taxing enough without the Government getting in on the act.

The point of all this is that it is past time for Uncle Sam to lift his feet off the cracker barrel and correct the marriage-tax situation. It would mean the loss of an estimated \$10 billion in revenue, and that will cause many of my fellows in Congress to balk. But I maintain that the \$10 billion is being raised under improper pretenses in the first place.

A handful of bills have been introduced in this Congress to correct the inequity. I have added my endorsement to their goal: To equalize the benefits, and to get Uncle Sam out of the business of legislating morality, either way.

Changes will not be made immediately, because nothing is ever immediate around here. But they must be made, if only to keep accountants and spouses from becoming endangered species as April 15 approaches each year.●

NEW DETROIT'S STATEMENT ON IMPACT OF FEDERAL FISCAL POLICY ON DETROIT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. CONYERS. Mr. Speaker, the State of Michigan and the city of Detroit are reeling under the twin impact of staggering inflation and unemployment. Detroit's jobless rate is 14 percent, Michigan's is over 11 percent—more than twice the national rate. Despite major cutbacks in the city's work force, which now is at the lowest level since the 1930's. Detroit faces a deficit this year approaching \$60 million. As a result of the unemployment and the weakened auto and construction industries, the city and State are paying out record amounts in public assistance, the current level of which even exceeds that reached during the 1974-

75 recession. This situation has led the State budget director to characterize Michigan's economy as being in the worst shape of any in the Nation.

Were this not bad enough, Michigan and Detroit confront Federal fiscal and budgetary policies that are likely to make the economic situation even worse. Congress is moving toward balancing the Federal budget at the expense of cities; this will entail elimination of State revenue sharing, local antirecession aid, and substantial cuts in jobs, community development, education, and social service programs. The administration, along with the Federal Reserve Board, is pursuing a fiscal and monetary policy that will guarantee a deep recession.

New Detroit, the Nation's first urban coalition comprising the leaders of all sectors of the community, has responded to these events by issuing on April 3 a major policy statement calling upon Congress to reconsider its budgetary and fiscal actions. New Detroit's statement underscores the urgency of problems confronting not only Detroit and Michigan, but other urban, industrial areas as well. The statement should be read carefully, and I recommend it to the attention of my colleagues.

IMPACT OF FEDERAL FISCAL POLICY ON DETROIT

This community has been in an economic recession for the last year as indicated by steadily increasing unemployment rates and other economic indicators. The automobile industry's various economic problems of the last few years—spiraling oil and gasoline prices, increased sales of imported cars, and the cost of complying with government safety, fuel economy, and emissions standards—have contributed to that local Detroit recession. Now the entire nation appears to be entering a recession, which would further compound Detroit's problems. The national economic forecast indicates that Michigan will be one of the States most severely impacted in the country, with Detroit experiencing more serious economic problems than the rest of the State.

The economic problems already facing Detroit must be taken into account as additional cuts are considered for next year's Federal budget. Our country is facing a unique combination of unusually high rates of inflation combined with continuing high unemployment. Effective responses to these two economic problems will undoubtedly be difficult for the entire country. Belt-tightening will be necessary, for individuals and the society at-large, business and labor, and for all levels of government.

Major cuts are now being proposed for next year's Federal budget. Everyone should share in these cuts but there must be recognition of the extent of the economic burden already being borne by some communities. In making the difficult decisions on allocating that burden, we feel that the following major criteria must be continually kept in mind by the decision-makers for the Federal and State governments:

1. All governmental programs must contribute to fighting inflation.

Every governmental program and agency must be examined critically. Activities of questionable effectiveness and with lesser priority should properly be cut back or eliminated altogether. This process must include the public works, defense, space, foreign aid, and all other Federal programs. No

single governmental agency can reasonably assume that its total range of programs is so effective and of top priority for the nation as to warrant an exemption from the needed fiscal restraints.

2. Recognition must be given to the fact that certain groups have already been carrying a disproportionate burden due to the twin economic problems of inflation and unemployment.

The poor, the disadvantaged, and the minorities suffer most from inflation because they tend to already have limited incomes. The indications are that the Federal budget cuts will fall disproportionately on employment, youth, welfare, urban and other critical human service programs. These are the programs which most directly respond to the problems of human misery created by the economic difficulties facing this country. Certainly, waste and inefficiency in these and all Federal programs must be eliminated. But to cut into the effective core of the programs designed to meet basic human needs would mean that those least able to contend with economic crisis would be asked to carry a double burden. The minorities and disadvantaged are the ones who most suffer from exposure to the economic diseases of inflation and unemployment; they should not also be asked to be among the first to pay for the medicine of governmental budget cuts.

3. Governmental spending should be targeted to areas with the greatest need.

Many Federal programs for dealing with the social and economic problems are already inadequately funded. The proposed budget cuts would reduce those programs even more. Available resources should be targeted on the basis of greatest human need, as indicated by overall unemployment rates, unemployment rates for young people and minorities and other current indicators of local economic distress.

All Federal expenditures should, of course, be carried out efficiently. But, in addition to social programs, all Federal spending decisions should take into account their potential for providing partial relief to the economically distressed communities in our nation. Expenditures for defense, major governmental facilities, research and the full range of Federal programs need to be included in the targeting strategy established by President Carter in 1978. The Executive Orders on general governmental procurement policy, minority business set-asides and other aspects of this strategy need to be pursued vigorously. In the same manner, Federal incentives for economic development should be targeted to those communities with the greatest need.

4. Federal budget decisions must consider the ability of State and local governments to maintain essential human services.

In its efforts to balance its own budget, the Federal government should not merely shift the burden to the budgets of state and local governments. Many of the States and localities are already facing the same dual burdens of inflation and increasing need for social services due to high unemployment. Overall Federal assistance to the States and local communities should not be reduced to the point that they cannot provide essential human services. Instead the Federal inter-governmental assistance programs should be targeted to those governmental units who are facing the greatest human needs, but whose resources are most depleted, because of high unemployment.

New Detroit, Inc., and its individual members pledge to work for governmental economic and fiscal policies which will best reflect these concerns.

The Chairman and the President are asked to express these concerns in the most effective manner possible and galvanize our

coalition to assist in the difficult process of allocating more limited resources at a time of increasing human needs.

I. GENERAL ECONOMIC INDICATORS

All standard economic measures indicate that the City of Detroit and the State of Michigan are in a recession, and economic forecasters project that this recession will grow worse during the remainder of 1980 and continue into 1981.

State of Michigan officials claim that Michigan is in worse economic shape than any other state in the country, and the general economic indicators support these claims. Michigan's unemployment rate for February, 1980, was 11.2 percent—almost twice the national average of 6 percent and markedly higher than the State's 1979 average of 7.8 percent. While the inflation rate continues to run at or above the 1979 level of 12.8 percent personal income is falling at a projected rate of 4.1 percent for 1980.

In comparison to nine other major industrial states during 1979, Michigan ranked last in personal income growth, highest in rate of unemployment, and eighth in employment growth. Domestic automobile sales fell 9.4 percent in 1979, and State officials are predicting that auto sales will experience a similar percentage decline in 1980.

As a result of this recession, the Governor and his economic advisors are in the process of revising his original budget proposals for the next fiscal year (October 1, 1980, to September 30, 1981). It appears that more program eliminations and reductions, as well as employee cut-backs, will be necessary.

Historically, the City of Detroit experiences even more difficulties than the rest of the State during periods of economic downturn, and this holds true for the present situation. The unemployment rate in Detroit for February, 1980, was 14 percent overall and 23 percent for non-whites. Inflation rates and personal income declines are also more severe in Detroit than in the rest of the State.

The City of Detroit experienced a \$20 million deficit during the last fiscal year and is projecting a \$60 million deficit for the current fiscal year. An additional \$40 to \$60 million deficit could occur during the next fiscal year, resulting in a total projected deficit of \$120 to \$140 million for that three-year period.

Consequently, the City is also faced with program reductions and eliminations as well as employee cut-backs. Since January, 1979, the City has been forced to lay off 1,266 employees—including 400 police officers. Total City employment is down to 22,516 as of March, 1980, the lowest level since the 1930's.

All the current State and City economic trends parallel those which immediately preceded the 1974-75 recession. In some cases, the indicators are even worse than during the 1974-75 era. For instance, the inflation rates for Michigan in 1974 (10.9 percent) and 1975 (7.5 percent) are certainly less than the 1979 average of 12.8 percent. Also, while real disposable income (personal income after inflation and taxes) declined 5.4 percent in 1974 and 0.7 percent in 1975, it is projected to decline 7.1 percent in 1980.

II. UNEMPLOYMENT

In February, 1980, the unemployment rate in the City of Detroit reached 14 percent. This compares with an average rate of 10.1 percent in 1979 and a Detroit unemployment rate average of 14.5 percent in 1975.

National unemployment was reported at 6 percent in February, 1980. Unemployment nationwide averaged 5.8 percent in 1979. The average national unemployment rate for all of 1975 was 8.5 percent.

The February, 1980, unemployment rate for Detroit's non-white population is 23 per-

cent. The 1979 unemployment rate for non-whites in the City averaged 17.1 percent. Non-white unemployment averaged 11.3 percent for the nation during 1979.

In 1979, Michigan's unemployment rate was the highest among ten major industrial states. In fact, it is projected that in 1980 Michigan will experience the nation's highest rate of unemployment.

III. YOUTH UNEMPLOYMENT

A recent Federal study indicates that unemployment among American youth is much higher than the official figures show. Further, the unemployment gap between white and minority young people is even wider than previously estimated.

Locally, the levels of black youth unemployment in Detroit have consistently exceeded both State and national rates, particularly during the past decade. According to the Michigan Employment Security Commission (MESC) and Federal reports, local youth unemployment today also is significantly higher than during the last economic recession period, 1972-75. A review of this period shows total U.S. youth (ages 16-19) unemployment ranged between 15 and 20 percent, while Michigan registered total youth unemployment between 17 and 25 percent. Michigan white youth unemployment ranged between 14 and 23 percent, and minority youth unemployment between 44 and 53 percent. Experts readily draw comparisons between these high unemployment rates and reported increases in youth-related crimes during the same period.

During 1979 the unemployment rate among black youth was again excessively high both on a national (36.5 percent), State (38.8 percent), and City (56.1 percent) level.

Equally discouraging are the unofficial MESC forecasts for 1980, which project the following youth unemployment rates: total youth unemployment in Michigan (20 to 25 percent) and the City of Detroit (45 to 50 percent); white youth unemployment in Michigan (20 percent) and Detroit (30 percent); and minority youth unemployment in Michigan (50 percent) and Detroit (60 percent plus).

IV. PUBLIC ASSISTANCE

Data supplied by the Michigan Department of Social Services indicates that due to economic conditions in Southeastern Michigan and the State, public assistance case-loads and intake volumes are at an all time high and are continuing to grow. This growth in public assistance is creating additional funding problems in the context of an already serious economic situation in the State.

The number of public assistance applications throughout Michigan has risen 61 percent from 61,000 in January, 1979, to 98,000 in January, 1980. For the same period in Wayne County alone (including the City of Detroit), applications have increased 68 percent from 19,000 to over 32,000.

Currently, about one out of four Detroit residents is receiving some form of direct financial help through public welfare programs, as compared to 9 percent for the rest of the State. During the 1974-75 recession, a maximum of 21 percent of Detroit's population received public welfare assistance. In 1970, approximately 10 percent of Detroit's population was receiving assistance. Case-load projections for 1981, based on current trends, indicate that about one out of three Detroit residents could be receiving some form of public welfare.

In addition to this growth trend, Michigan faces a serious short fall in Federal funds this fiscal year in the Title XX programs, which could reduce a broad spectrum of Social Services programs, including adult family support, children's protective serv-

ices, delinquency, day care, and similar service programs.

V. CRIME

Historically, periods of high unemployment in Detroit have been accompanied by an increase in crime. This was certainly true during the 1974-75 recession, which had a devastating impact on the City of Detroit. Statistics show that unemployment and crime were at an all-time high.

For the years 1974 and 1975, the Detroit crime rate (based on the number of crimes per 100,000 inhabitants) increased 29.6 percent over 1973. Unemployment during that same period increased 22.9 percent over 1973. This data reflects a significant increase in crime and unemployment from 1974 to 1975, a period of significant economic decline both in Detroit and nationally.

For the period 1976 through 1978, crime and unemployment rates in Detroit went down. Crime statistics show a 31.4 percent decrease, with unemployment rates being fairly stable during the same period.

Toward the end of 1979 however, as the unemployment rate again began to climb, Detroit's crime statistics started to show an increase.●

GERALD T. HARRIS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FORD of Michigan. Mr. Speaker, I would like to call the attention of our colleagues to the outstanding accomplishments of one of my constituents—Mr. Gerald T. Harris of Taylor, Mich.

Jerry Harris is a moderately handicapped man, having suffered early in life with osteomyelitis. He has spent many years in hospitals, has undergone nearly 90 operations, and was in a wheelchair for 5 years.

Despite such obstacles, Jerry is one of the most active men I know, and has a record of accomplishments that is truly enviable.

Several years ago, he helped organize the Michigan Legislative Council for the Handicapped, and has served as its first and only chairman. He is also publisher and director of the council's publication—the Michigan Handicapper.

Jerry is project director for the Michigan Very Special Arts Festival for the Handicapped, and is chairman of the State fundraising drive to support it. In 1978, he was my representative to the White House Conference on the Handicapped.

His activities go far beyond his work on behalf of the handicapped. He is a civic leader, active in local politics and charitable drives, and an aggressive campaigner for legislation both at the State and Federal level.

A list of his awards and honors over the years testifies to Jerry's accomplishments. They include Outstanding Man of the Year for Economic Development, for his work as chairman of the Westland Industrial Development Committee; Michigan Minuteman Award, for his promotion of Michigan; and United Nations Certificate, for his

help in planning the International Year of the Disabled.

This brief résumé of Jerry Harris' career and accomplishments does not give a complete picture, Mr. Speaker, but it gives some idea of his activities.

I want to take this opportunity to publicly commend him for his work, and to wish him continued success in the coming years.●

WINDFALL HURTS STRIPPERS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. COLLINS of Texas. Mr. Speaker, strippers are being pushed out of the energy action. To see energy move forward, we need all of the stripper oil production.

America has increased OPEC oil imports from \$3 billion a year to \$90 billion this year in a 6-year span.

We must deregulate and let Americans participate successfully in the private enterprise market.

Getting Government out of the oil and gas business would provide the needed growth momentum for the stripper oil well producers.

Royce Yancey, the energy writer of the Fort Worth Star Telegram, wrote a penetrating analysis of the effect of the windfall tax on stripper oil.

Here are some key paragraphs from Royce Yancey in the Fort Worth Star Telegram.

TAX SPELLS PRICE CUT FOR OPERATOR OF STRIPPER WELL

Even so, these trickles add up to a sizable stream of oil. There are approximately 375,000 stripper wells in operation in the United States, producing about 380 million barrels of crude oil annually. That is almost as much as is produced annually on the North Slope of Alaska and almost equal to the output of all U.S. offshore wells.

Even with the increased, uncontrolled prices of up to \$39.50 per barrel no one is going to make "obscene profits out of a well producing less than three barrels per day," La Motte said. "Especially not in view of the rapidly rising costs of leases, drilling rig rentals, royalty payments, pipe prices and wages."

Dan R. Rogers of Henryetta, Okla., a recent recruit to the stripper well ranks with five wells producing a total of 11 barrels of oil daily, said, "Shucks, I'm not Big Oil. I'm not even Little Oil. I'm just itty-bitty oil."

Moreover, Rogers said, "I'm in hock up to my ears at the bank, but I had a good reason to think I could make it." That was before the passage of the windfall profits tax, which President Carter signed into law this week, and which Rogers claimed will wipe him out. "I've already told my banker he can have my oil properties, but he doesn't want them," Rogers said. "It's a heluva situation."

Other stripper well producers are equally bitter about the oil excise tax, especially those like Rogers, who got into the business fairly recently.

"This new tax is going to take \$7.50 per barrel out of my gross income, so naturally my banker will loan me less."

Deck said his company had budgeted \$2.5 million for drilling and development work this year, but he now estimates the excise tax will take more than \$700,000 of that. With a reduced cash flow, he will be forced to curtail his activities.

Variations on these situations can be heard from most stripper well operators, adding up to a slowdown in their activities.

Under the "windfall profits" tax, independent stripper well producers will pay a tax of 30 percent on the price they receive above a specified base price. For strippers, this base price figures out to approximately \$15.50 per barrel. Thus, if a producer is now getting \$39.50 per barrel, the tax would apply to the difference between \$15.50 and \$39.50. In this case, the tax would be \$7.20 a barrel.

Joe B. McShane Jr., Monahans, president of the National Stripper Well Association, agreed the new tax will slow down stripper operations. "It's a simple matter of arithmetic," he explains. For the independent, the effect of the tax will be a price reduction of almost 20 percent; for the majors it will be double that amount on their stripper oil.

The NSWA president said this may result in as many as 50,000 wells being shut in within the next two to three years and a resultant drop in stripper oil production of about 75 million barrels annually. That amount of oil is worth about \$3 billion in today's market.

He said the "tax isn't going to cause a producer to shut down a well making 100 barrels a day. But he will shut down a well making only two to three barrels because it is no longer economic. And that type of well—once plugged—isn't likely to be re-opened—ever."

The loss of a three-barrel-a-day well may seem insignificant McShane said, "but when all of these wells add up to production of almost 400 million barrels a year, it does make a big splash."

Not so with stripper well operators. They will get no increase because the price controls have not applied to them since 1973. The net effect is that while most producers will have a greater gross income, the income of stripper well operators will be reduced by the amount of the new tax.●

ALASKA LANDS LEGISLATION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, during the debates over Alaska lands legislation in the last two Congresses, we in the House have been accused repeatedly of treating the State of Alaska like a colony instead of a full and equal partner in the Union. We have been told in no uncertain terms that our efforts to guarantee protection of the vast lands owned by all the people of the United States is a land grab that would deny Alaska its statehood rights. We have been told that Alaskans are suffering gravely under the merciless fist of the Federal Government.

It turns out that this downtrodden State is so awash in revenues generated by oil and gas leasing there that it is able to abolish the State income tax and institute a share-the-oil-wealth program that will put an average of \$2,000 cash in the pockets of every

Alaskan adult by the end of the year. These benefits are projected to increase substantially in the future.

How many of us in the House come from States that have been able to abolish its income tax and begin a healthy rebate program to our citizens?

This flow of cash into the Alaska State treasury comes primarily from two sources. Oil and gas drilling on Federal lands, from which the State receives 75 percent of the royalties, and drilling on State lands, from which the State receives nearly 90 percent of royalties. These State lands include Prudhoe Bay and other formerly Federal lands that were granted to Alaska as part of its statehood entitlement.

Mr. Speaker, I have included a recent article from the New York Times that outlines Alaska's good fortune:

ALASKA ABOLISHES INCOME TAX AND VOTES DIVIDENDS

JUNEAU, ALASKA, April 18.—While Americans raced to meet the nation's tax deadline, Gov. Jay S. Hammond signed legislation to wipe out Alaska's income tax and pay Alaskans cash dividends from the state's growing oil wealth.

The state's estimated 400,000 residents will pocket \$405 million by the end of the year, \$2,000 for the average adult, through tax refunds and the "share-the-oil-wealth" plan.

Thousands of dollars more could be pocketed in future years, especially by long-time residents, making the legislation the biggest cash payment law for Alaskans since the \$1 billion Alaska Native Claims Settlement Act in 1971.

"Some people call this socialistic," Governor Hammond said yesterday on signing the bill. "But it really is very conservative. The idea is to let the public decide how they want to use their money."

Since huge oil deposits were discovered in Alaska, legislators have wrestled with the problem of finding ways to let their constituents benefit directly. A \$900 million return from the first big lease sale at Prudhoe Bay in 1969 was mostly spent on public works projects in what legislators then said was "catch up" after years of inadequate services.

Subsequent oil revenues of under \$1 billion a year were used to continue government services. But now Alaska expects to receive more than \$4 billion in revenues by mid-1981, largely because the price of the state's oil has been tied to that of Middle East crude and because of decontrol of domestic oil.

Alaskan legislators agreed this week that rather than let politicians and bureaucrats spend it all, the people should be allowed to get some of the money directly and spend it as they wish. Some view it as an endurance reward.

"I live in a town where temperatures can range 175 degrees," said State Representative Fred Brown, Democrat of Fairbanks. "That's a very harsh environment and there's no other state that has conditions like this. Partly because of the extreme environment, the cost of living is higher."

The annual distribution plan will give residents at least \$50 cash for each year that they have lived here since 1959, when Alaska became a state. That means a 21-year resident will receive \$1,050 this year.

The \$50 base dividend is expected to increase because it is tied to earnings from a

constitutionally established trust fund fed by oil revenues. As revenues increase, the trust builds and the dividend grows. Both taxpayers and nontaxpayers will get the dividends.

A LONG-TERM VIEW

"It will change the whole face of Alaska in time," said the State Senate president, Clem Tillon. "In 15 or 20 years it will be the collateral that has fueled the construction and the change that took place here. It has brought us all into the corporate world with every Alaskan collecting dividends."

In addition to the share-the-wealth plan, 1979 income taxes will be refunded and those who have filed returns for at least three years will no longer pay income taxes.

Governor Hammond has pushed the plan for several years, arguing that it would make citizens more watchful of how government spends the revenues.

"It doesn't take money from you and give it to somebody else," he said. "It doesn't take from the rich and give to the poor. We're taking wealth that belongs to the people and making sure that at least some of it is funneled directly through their pocket, instead of through their elected representatives." ●

SOME EFFECTS OF AIR DEREGULATION

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. SAWYER. Mr. Speaker, the major transportation policy issue during this Congress is whether to move from a position of economic regulation to competitive market forces.

The focus of economic regulatory reform is on the development of the most economic and energy efficient method of meeting the transportation needs of the future.

In considering this matter, the results of previous Federal regulatory reform should be carefully reviewed to determine if such actions have resulted in continued and/or improved service.

For the benefit of my colleagues, I included in the RECORD a letter which comments in careful detail on some of the effects of airline deregulation.

The letter follows:

KYSOR INDUSTRIAL CORP.,
Cadillac, Mich., March 19, 1980.

HON. HOWARD W. CANNON,
Chairman, Senate Committee on Commerce,
Science, and Transportation, U.S.
Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In a recent undated letter addressed to you by Civil Aeronautics Board Chairman Marvin S. Cohen, which was quoted in part in the Washington Post and other newspapers, an advertisement on the subject of airline deregulation has been condemned as being "inaccurate and misleading." I wish to take strong issue with Chairman Cohen's remarks. Kysor Industrial Corporation, while not mentioned in Chairman Cohen's communication, is the author of this advertisement, produced as one of this firm's projects for the ATA Foundation—which is completely autonomous of American Trucking Associations, Inc.

Based on our interpretation of the situation which prevails throughout the airline

industry today, Kysor fully defends the contents of the advertisement in question. Further, Mr. Chairman, I am sure that you are aware of the discontent which has been manifested in many areas with regard to the adequacy—and the safety—of commuter airline service as a replacement for terminated certificated airline operations.

In the preparation of our advertisement, we have made use of the extensive materials which have been prepared by the American Trucking Associations, Inc.'s Department of Research and Statistical Services. The ATA has been monitoring the effects of air deregulation for some time on a continuing basis, utilizing materials from the CAB, Federal Aviation Administration (FAA), and the National Transportation Safety Board (NTSB), as well as media reports. One such analysis, which bears directly upon the advertisement which Chairman Cohen has attacked, is enclosed with this letter. With this background, then, I will turn to Chairman Cohen's letter.

I am particularly disturbed by Chairman Cohen's pervasive reliance on the number of aircraft departures as a valid measure of service at a given airport. Last summer, in testimony before the House, during the air deregulation oversight hearings, CAB Commissioner Elizabeth Bailey branded the use of departures alone as a measure of service "insufficient and misleading." Her reasoning, with which I agree fully, is that aircraft departures indicate neither the size of equipment utilized, nor the number of seats available. Thus, the replacement of two 100-passenger jet flights with four 10-passenger propeller flights will yield a 100 percent increase in departures, but an 80 percent decline in available seats.

As for Chairman Cohen's arguments that some smaller towns had been receiving excessive air service, and that the CAB determination of "essential air service" results in a more reasonable utilization of aircraft capacity, I believe they must fall in several regards. First, many communities subject to "essential service" determinations have faulted the arbitrary and inflexible nature of such determinations during hearings before the CAB. More serious is the problem which will arise upon the eventual demise of the CAB, now expected in 1985, after which time no regulator will be present to enforce even arbitrary minimum service levels at small- and medium-sized towns.

Finally, the CAB itself has not recognized the fundamental insufficiency of aircraft departures as a measure of service. Its recently published "Staff Study Report on Airline Service, Fares, Traffic Load Factors and Market Shares Service Status on September 1, 1979" goes well beyond those simplistic statistics, and compares both departures and available seats—on an average weekly basis—for September 1978 and September 1979. Analysis of this document shows that, while the 28 largest airline cities increased their market dominance from 65.1 percent to 67 percent in the twelve month period, a number of locations experienced increased aircraft departures accompanied by reduced seat availability. Numerous other instances of relatively small increases in seat availability accompanied by very large increases in departures were noted—a clear indication of substitution of small commuter equipment for larger jets. I will discuss the problem with substitution in a moment.

An example of the result of substitution is found in the city of Danville, Va., which is included in the Kysor ad and is cited as obtaining improved air service by Chairman Cohen. In Danville, both the number of departures (28 to 87 per week) and the available seats (1,600 to 2,000) did rise on a weekly basis. However, the Report clearly demon-

strates that the average size of the planes utilized dropped from 57 passengers to 23 passengers! But critical to the point of the Kysor ad, based upon the 1979 Report, many of the other cities included in the ad showed dramatic declines in available seats. These include:

Bridgeport, Conn.—seats down 18.1 percent and departures down 19 percent.

Chico, Calif.—seats down 76.9 percent and departures down 35.4 percent.

Clarksburg, W. Va.—seats down 5.6 percent and departures up 1.6 percent.

Clinton, Iowa—both seats and departures down by 30.6 percent.

Hot Springs, Ark.—seats down 9.5 percent and departures up 14.1 percent.

Mansfield, Ohio—seats down 43.9 percent, and departures down 36.9 percent.

Modesto, Calif.—seats down 43.9 percent, and departures down 36.9 percent.

New Bern, N.C.—seats down 19 percent, and departures up 20.7 percent.

Presque Isle, Maine—seats down 81.6 percent and departures down 27.5 percent.

Salem, Oreg.—seats down 3.3 percent and departures down 17 percent.

Walla Walla, Wash.—seats down 28.2 percent and departures down 36 percent.

Winona, Minn.—both seats and departures down 18.5 percent.

Chairman Cohen's reply ignores this problem in favor of asserting that this category of smaller towns has been pleased to obtain commuter service as a replacement for certificated service. Additionally, he alleges that Winona, Minnesota, voluntarily requested termination of air service. However, the CAB's files contain many instances of complaints from smaller towns concerning service by certificated carriers arising from intentional actions by air carriers calculated to achieve exit from those markets.¹ For example, Jamestown, N.D., cited by the Chairman, complained of losing the services of Northwest Orient, but at the same time it had a history of complaints stemming from Northwest's unsatisfactory service quality. It is apparent that many towns in similar circumstances were eager to be rid of one unsatisfactory certificated carrier in the belief that only by doing so could they attract another, more service-oriented, certificated airline. Instead, as the experience in Jamestown stands in testament, the replacement proved to be a commuter.

Chairman Cohen's "happy town" report also is not supported by the press and other reports. For example: New Bern, N.C.—Articles highly critical of the demise of certificated service appeared in the Raleigh News and Observer (3/4/79) and in the Wilmington Morning Star (3/5/79).

Sheridan, Wyo.—The Old West Regional Commission was quoted as being most critical of the substitution of commuter air service in a report in the St. Louis Globe Democrat (3/11/79).

Presque Isle, Maine—The entire Maine congressional delegation, and especially Rep. Snowe, who testified before air deregulation oversight hearings, has been much alarmed over the departure of a certificated airline from Presque Isle. This alarm and anger has also been reported in the Maine Sunday Telegraph (2/18/79) and in the Portland Press Herald (2/15/79).

Clarksburg, W. Va.—Both U.S. Senators from West Virginia have expressed their displeasure at the termination of certificated air service in their state. Sen. Robert Byrd was particularly critical in his remarks before hearings of the House aviation deregulation oversight committee last summer.

It is true, as Chairman Cohen points out, that some of the communities listed in our

ad as having lost certificated airline service suffered such losses prior to actual legal passage of the airline deregulation act. However, it is common knowledge that the CAB, in anticipation of passage of the act permitted certificated airlines to abandon service for some months in advance of the legislation. One report from Mary Shuman, former White House transportation counsel, indicated that the then CAB Chairman Kahn was concerned with the legality of such actions. However, Ms. Shuman, according to her remarks at the Canadian National Conference on Airline Deregulation (June 27, 1979), reported by Aviation Daily, assured Mr. Kahn that his actions would be legalized by passage of the air deregulation act before anyone got around to bringing suit. In other words, the CAB permitted a number of instances of "jumping the gun" in service abandonment cases in anticipation of deregulation.²

Nor is it appropriate to cite some asserted 127 certificated air service terminations which occurred before air deregulation in an attempt to show that such terminations are not a deregulation phenomenon per se. Pre-deregulation service terminations by the airlines had three basic causal factors. First, airlines have consciously furnished low-grade service in order to justify exiting a town. I have discussed this problem, *vis-à-vis* Jamestown, N.D., elsewhere in this letter. A second cause was the inability of some small air parts to accommodate state-of-the-art aircraft. Failing secure sufficient local, state, or Federal funding to upgrade such facilities, they simply could not continue to be qualified to handle operations by modern aircraft. Finally, as I mentioned, the CAB permitted a substantial number of "gun-jumping" service terminations in the approximately six months prior to legal deregulation.

Chairman Cohen's letter states that the towns listed in the Kysor ad are often still being served by airlines. Here, two points should be made. First, some are receiving commuter—not certificated—airline service. Commuter airlines, in the words of Senate Majority Leader Robert Byrd of West Virginia, are not perceived as being safe by the traveling public. The FAA has confirmed that commuters have a far worse safety record than do certificated carriers. The public has ample reason to be apprehensive with regard to the safety and stability of commuter airlines. In recent months at least two commuter airlines have simply gone out of business—one in Florida and one in the Rocky Mountain area. Others have had serious fatal crashes, such as the one in the Grand Canyon, while others are now being suspended for unsafe practices—such as Prinair in Puerto Rico and Merrimack Airlines/New Jersey Airlines in New England and the Mid-Atlantic states. Thus, commuter service is often service with a very small "s".

Equally important, however, is that some of the points listed may still actually be receiving service from certificated airlines which have filed notice of intent with the CAB to terminate such service. Whether the certificated airline has actually "left town" today, tomorrow, or next week, is not the point. The airline intends to leave in the near future, and there is no regulation which will force it to stay indefinitely.

Chairman Cohen asserts that substitution of small commuter aircraft for large jet equipment provides for a better allocation of energy resources during the period of "soaring fuel costs and shortages".³ I would

applaud regulator action to achieve this goal if it were in fact occurring. The theory advanced by the CAB, and reflected in the Chairman's letter, is that the larger, high-fuel-consumption aircraft may be better utilized at higher load factors in operations between major traffic hubs. In actuality, deregulation has so increased competition and seat availabilities at these major centers that most of the trunk and regional airlines are now experiencing markedly deteriorating load factors. Material compiled by the Air Transport Association and published in Aviation Daily (March 4, and 6, 1980), show that the trunk airlines' load factors (system-wide) have dropped from a high of 73.4 percent in April, 1979, to 53.8 percent in January, 1980. A similar comparison for the local service certificated airlines shows a drop over the same period from 67.6 percent to 51.6 percent. Only one of the seven regional—or local service—certificated airlines (Hughes Airwest) reported a better load factor in January of 1980 than was experienced in the same month of 1979. Three of these firms had load factors below 50 percent. Mr. Chairman, the open entry into larger cities has not, it appears, resulted in any energy savings. Rather, it has caused a surplus capacity with half-full high-fuel-consumption jets congesting major traffic hubs—while additional fuel is consumed by small commuters servicing smaller communities abandoned by the certificated airlines.

In comparison, measuring load factors for commuter airlines is a futile exercise inasmuch as the CAB's essential service requirements have often been set at such low levels as to virtually guarantee full planes on all commuter flights from small towns. Looking at these microscopic numbers, one is left but to speculate how many potential passengers are literally left "standing at the gate." Further, the fiscal constraints under which commuters operate, plus the general shortage of equipment for commuter service, act as additional artificial inhibitors of seating capacity. Subsidies paid to commuters will not, at least in the short run, provide for an alleviation of this situation.⁴

Finally, I would like to comment upon Chairman Cohen's assertion that "[t]he consumer is not concerned about the overall quality of service." While the media and Congressional statements alluded to above refute this contention, consumers are rapidly becoming educated about the safety records of the commuter airlines. The National Transportation Safety Board (NTSB), in a report dated February 20, 1980, reported the fatality rate per 100 million passenger miles for both certificated and commuter airlines. These data show that last year the commuters had a fatality experience which was 31.5 times greater than that for certificated airlines, which represents "a 27 percent rise over 1978." Such a record of safety violations and deaths to passengers led FAA's Administrator, Langhorne Bond, within the past two weeks, to tell a Congressional committee that the safety record of air commuters is simply "unacceptable."

I hope this elaboration of the material supporting the Kysor advertisement will serve as sufficient answer to the biased and conclusory comments of Chairman Cohen. Perhaps instead of advocating trucking deregulation by defending the airline experience through the Administration's rose col-

¹ Prior to air deregulation, no trunk airline was subsidized in its domestic operation. However, all regional or local service certificated airlines did receive subsidies. Today, after deregulation, the situation with regard to certificated airlines is basically the same—with only one local service certificated carrier no longer receiving a subsidy. However, in addition, the new commuter airlines are also being subsidized at a level which cannot yet be determined due to the changing nature of the industry.

² We must note that this trend continued today after deregulation in the form of sharply curtailed flight schedules at many points being served by certificated airlines.

³ This action might be compared to some of the recent proposals by the ICC.

⁴ Of course, the Chairman neglects to mention that the same costs and shortages are causing problems for the motor carrier industry.

ored glasses, Chairman Cohen would be better advised to focus on solving the myriad problems for airline consumers (passengers and air freight shippers) brought about by deregulation.

Sincerely,

RAYMOND A. WEIGEL,
Chairman of the Board.●

TERRORISM AGAIN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FINDLEY. Mr. Speaker, the terrorist attack by five Palestinians on Misgav Am kibbutz in Israel was reprehensible. The seizure of small children as hostages was an act of villainy and cowardice. As I have stated many times before, there must be an end to Palestinian terrorism and violence.

Responsibility for this raid has apparently been claimed by the Arab Liberation Front, an extremist Iraqi-backed Palestinian group. Iraq, of course, remains among the Arab nations the most opposed to the peace between Egypt and Israel. The terrorist raid was probably deliberately timed to coincide with the visit to Washington of President Anwar Sadat of Egypt. This raid was probably intended not only to discredit him but to make an Israeli-Egyptian agreement on the Palestinian issue more difficult. It is important that Israel, Egypt, and the United States nevertheless persevere in their efforts to bring peace to the Middle East.●

AMERICAN UNIVERSITY IN BEIRUT RECOVERING PAST GLORY

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MOFFETT. Mr. Speaker, Lebanon has been wracked by violence for the past 5 years. But one institution—the American University in Beirut—has survived, as the following New York Times article shows. Indeed AUB has been an island of stability and sanity in Lebanon at a time when numerous divisive forces are at work in the country.

AUB is a shining example of our foreign aid program at work, since over the years it has received substantial aid under the American schools and hospitals abroad program. As the article indicates, AUB in no sense is captive to any government. But because it is sponsored and supported in part by the United States, American educational values are being propagated to an important area of the world. These values are among the best aspects of American life that we have to offer.

I commend this article to my colleagues for their consideration.

THE AMERICAN UNIVERSITY IN BEIRUT RECOVERING PAST GLORY

(By Ihsan A. Hijazi)

BEIRUT, LEBANON.—The American University of Beirut, founded as a Protestant missionary institution and chartered by the New York State Board of Regents, is in the midst of a remarkable recovery from the impact of the Lebanese civil war. While the university's problems, especially financial, are by no means over, the 114-year-old institution retains its standing as the most modern and sophisticated center of higher learning in the Middle East.

Only five years ago, the university was plagued by politics on campus, budget deficits and the civil war. The school, which has graduated thousands of doctors, engineers, nurses, educators and top government leaders, appears to have survived.

Dubbed "Guerrilla U" during the civil war because it was under the protection of the main Palestinian commando group, El-Fatah, the school, almost half of whose students are Moslem, is again a major outlet for Western orientation and a showcase for American-style education—while not forgetting its Middle East surroundings. It now looks for aid from the Arab countries and in return is offering its long experience in technological matters, badly needed in the area.

In 1975, the school began its Services Corporation, selling consultations to governments and private businesses, especially in the Persian Gulf area. Dr. Harold E. Hoelscher, the university's president, has toured the Arab states promoting the university, saying, "Give us the funds we require and we will give you highly educated men needed for Arab development."

Dr. Hoelscher, formerly the director of the Institute of Technology at the University of Pittsburgh, came to his current post in August 1977. He soon decided that the university, which had been helped during the war by an \$8 million low-interest loan from the Lebanese Government, would no longer be run on loans. "Our problem is not money, but how to use it," he told the administration.

Asked in an interview published in a campus magazine why he thought Arabs should support a foreign institution, Dr. Hoelscher replied: "Firstly, A.U.B. is not a foreign university, not in any sense at all. It is clearly not a foreigner. Its faculty are more than 70 percent from this world region. Its programs are focused on the problems of the Middle East and the Arab world. It currently works collaboratively with agencies in a dozen of the Arab states throughout the region on problems of importance to the development of those states. This is not the record of a foreigner."

The majority of the non-American members of the faculty received their education in the United States and employ American educational technology. The liberal-arts curriculum is similar to that in the United States and the orientation is similar to that of American universities.

The overwhelming majority of the students, professors and teachers are Lebanese. More Arabic than English is heard on campus.

Above all, the university, which occupies 73 acres of prime real estate overlooking the Mediterranean in the predominantly Moslem West Beirut, is a private institution. With schools of arts and sciences, medicine, engineering and architecture, agriculture and health sciences, it grants degrees under the authority of the New York State Board of Regents. A modern hospital with 420 beds is adjacent to the campus.

Of this year's 4,102 students, 47 percent are Moslem, despite the fact that an Egypt-

ian-financed institution, the Beirut Arab University, is also in West Beirut. The overall total, though 700 fewer than before the Lebanese civil war, is 1,000 more than during the war.

Seventeen of the 25 members of the trustees and most of the school's top administrators are American. School officials repeatedly point out, however, that when the university experienced its worst financial difficulty, a loan from the Lebanese Government, and not the United States or any other outside source, bailed it out.

While some students complain that the standard of education has dropped since the civil war, because of the departure of many professors, others believe the standard is still the highest in the region. Many students from high schools here and in other Arab countries have been refused admission because their levels were not considered high enough.

A Lebanese physics major said, "What is helpful about the university is that I can enroll in any university in the United States for my postgraduate courses."

"A degree from this school is competitive when I seek a job after graduation," an economics student said. A third-year medical student said that he could practice medicine and become a general practitioner after graduation even if he did not go abroad for specialization.

A 20-year old Lebanese-American coed who was born here said: "A.U.B. is ideal. I can stay in Lebanon and have an American education at the same time."

The university has managed to avoid falling under the influence of any Government, including that of the United States, despite American aid.

Last year, 12 percent of the school's budget of \$36 million came from the United States Agency for International Aid. Grants and gifts, some from Arab graduates, accounted for a large portion of the budget, and tuition provided 26 percent more. In 1973 an offer of \$10 million from Libya—if the school became an Arab nationalist institution—was turned down.

There has been a sharp decline in American willingness to contribute to the school in recent years. Observers attribute this to the belief that the university, being in an Arab country, should profit from the great Arab wealth, and an impression that the school has become a center of Arab radicalism.

Among its graduates are Dr. George Habash, the general secretary of the militant Popular Front for the Liberation of Palestine, and his former colleague the late Dr. Wadie Haddad. Dr. Haddad was known as the mastermind of terrorist operations abroad, especially aircraft-hijacking.

The Minister of Agrarian Reforms in the Marxist régime of Babrak Karmal in Afghanistan, Fadhulrahim Mumend, is also a graduate of the school.

But 19 of those who signed the United Nations Charter in San Francisco in 1945 were also graduates, including Lebanon's former Foreign Minister, Charles Malik, now a member of the country's main Christian rightist alliance. Dr. Selim al-Hoss and Mudar Badran, Prime Ministers of Lebanon and Jordan, respectively, are two other graduates.

American University's first president, the Rev. Daniel Bliss, a Presbyterian missionary, set forward the institution's motto: "That they may have life and have it more abundantly."

In his inauguration speech, Mr. Bliss said, "This college is for all conditions and classes of men without regard to color, nationality, race or religion."

Though the war inflicted little damage to the campus, it did not spare the school alto-

gether. In 1976, two of its deans were shot and killed by an irate student.

"It was regarded as an isolated case unrelated to the civil strife," said the school's public-relations director, Radwan Mawlawi. "We were not a target because we were respected by both sides."

"Students have cooled off politically," said the university's vice president, Dr. Samir K. Thabet. "They are more interested now in their studies and less in political issues." ●

THE UDALL POLL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, I mailed my annual legislative survey to every household in southern Arizona in March, and the results are in. They are interesting and worth sharing with my colleagues. We received a large number of responses this year and that in itself was heartening. The following lists each question and the percentages recorded for each answer, and my own comment in each category.

THE UDALL POLL

1. Taxes. Some argue that pouring more money into an already inflated economy via a tax cut will only make things worse. Others argue that working people just can't make it without some relief, and that Americans deserve a tax cut. Check the position closest to your own:

A. I would rather see us whip inflation and balance the budget first, so I'll forgo a tax cut this year. (70 percent)

B. Fighting inflation and balancing the budget are fine, but taxpayers need some relief now. Taxes should be cut. (27 percent)

No answer. (3 percent)

Udall: The people of Southern Arizona know our country is in trouble, and they know we can't spend our way out of inflation, and that's just what a tax cut would be trying to do. The villain we have to shoot down is inflation. All our efforts must be focused in that direction. My constituents seem to support that approach, and I'm going to do my part.

2. The Draft and Registration. In this session, Congress will be asked to reinstate registration for the draft as a precautionary, standby measure. Congress would take another vote before any resumption of inductions. Should we:

A. Reinstate draft registration for men only, at the age of 18. (30 percent)

B. Reinstate draft registration, but include women, at the age of 18. (47 percent)

C. Continue with an all-volunteer force. Do not reinstate draft registration. (21 percent)

No answer. (2 percent)

Udall: A clear 77 percent of the respondents favor resumption of some form of registration for the draft, a startling turn-about from the days of Vietnam, and an indication that Americans are ready to stand firm when they believe the national interest is genuinely at stake.

When this survey was mailed, I had been assured by the Defense Department that the advance registration proposal would save the country up to nine months in an emergency mobilization. But since then, the Congress has learned that we would only save seven days or so if we went to registration now.

In light of this new information, and in light of the fact that cranking up registration in advance will cost several million dollars, I now lean against reinstatement of draft registration.

3. Nuclear Energy. As you read this, 12 percent of all the electricity in the United States is being generated by nuclear power plants. Some insist that we go slow on nuclear until we resolve the problems of safety and nuclear waste disposal. Nuclear, they say, is fraught with unknowns. Proponents, on the other hand, say the safety systems worked at Three Mile Island, that no one has been killed in a nuclear accident and that we need more such plants. Still others want all nuclear plants closed and any future construction banned, period. Should we:

A. Close all nuclear plants and ban future construction. (10 percent)

B. Enact a moratorium on new construction permits while working to resolve safety, waste disposal and other problems. (52 percent)

C. Allow construction of new nuclear power plants. They are safe enough. (36 percent)

No answer. (2 percent)

Udall: Nuclear has its problems and yet, we are going to have to use some of it to get ourselves through the 1980s and the 1990s. It is important that nuclear power have a further chance to prove itself and to show it is safe and reliable and that we can dispose of the waste. For these reasons, I would support a pause of not to exceed three years so that we can make an informed judgement as a people. I do not favor closing down plants which are already built or are about ready to come on line.

4. Abortion. In 1973, the U.S. Supreme Court decided that government may not interfere with a woman's private decision to have an abortion in the first three months of pregnancy. However, State Legislatures can and have placed restrictions on abortions sought in the last two-thirds of a pregnancy. Some argue that no law will stop abortion, given the mood of the courts. Others insist that abortion in any case is wrong and must be stopped at all costs. Another argument holds that government should offer financial help to poor women who can't pay for the procedure. Check the answer closest to your position:

A. The Constitution should be amended to ban abortion. (14 percent)

B. Government should stay out of the abortion controversy. (47 percent)

C. Government's role in abortion should extend only to financial help for poor women who can't afford the procedure. (37 percent)

No answer. (2 percent)

Udall: As the father of six, I object to abortion. No matter how we face it, abortion is a tragedy—for the mother, certainly for the unborn baby, and for the father. I would prefer to see a society and a world where abortion does not exist. But the truth is that abortion is with us, and will probably continue to be with us, with or without a law. The affluent have always had easy access to abortion; for the poor, it's been a different and frequently traumatic story. Unfortunately, there is no answer here that will satisfy both sides.

5. Budget. Plans to balance the federal budget have boiled down to two or three basic approaches. One is that we should amend the Constitution to bind the government to a balanced budget by tying spending to a percentage of the Gross National Product; another would accomplish the same end, but with a law instead of a Constitutional Amendment. Still another contention is that the present system is moving

toward a balanced budget, so let's leave it as it is. Check the method you most favor:

A. A Constitutional Amendment to balance the budget by limiting spending to a percentage of the Gross National Product (36 percent)

B. Accomplish "A" with a law instead of a Constitutional Amendment. (43 percent)

C. The deficit has been cut. The present system seems to be working. Leave it as it is. (14 percent)

No answer. (7 percent)

Udall: At this writing, we seem to be heading for "B." There are a number of spending-limit proposals before the Congress, and I have co-sponsored one with Rep. Bob Giaino, chairman of the House Budget Committee. It calls for limiting all spending by the federal government to a percentage of the Gross National Product, freezing the level at 28.5 percent the first year, and reducing the figure to 27 percent after three years. The measure is a sound one and I am hopeful it will get the attention it deserves. The public is demanding spending limits and it's up to Congress to act.

6. Wage and Price Controls. A substantial number of Americans believe that wage and price controls are preferable to double-digit inflation. But there are those who insist that we're better off if we let the free economy take its course, and let things heal on their own. Should we have controls or not?

A. Yes, I favor wage and price controls. (48 percent)

B. No, I do not favor wage and price controls. (49 percent)

No answer. (3 percent)

Udall: In all the years I have been sending out these surveys, it is difficult to recall any question that came back with such an even split of opinion. I have said in the past that I would favor such controls only as a last resort, and I stand by that. But to date, the President has not asked for the authority to impose such controls (indeed, he has adamantly said he will never implement them) and Congress is powerless unless the President is willing to put wage and price controls into effect.

7. Social Security. When Social Security began, about 12 workers paid into the system to support a single retiree. Now the ratio is down to about 4 to 1. We can't go on like that. Clearly, we face some tough decisions. One side argues that we should reduce payroll taxes and benefits, while others urge that we make the system "universal," and include all employees in the program, while trimming auxiliary services and work to return Social Security to the supplemental retirement plan it was supposed to be. Others would like to see Social Security refinanced, perhaps with general revenues, while allowing those persons with private retirement plans to stay out of the system. Check the approach you most favor:

A. Cut the payroll tax and reduce benefits. (7 percent)

B. Make Social Security universal, trim the auxiliary programs and return the program to the supplemental sort of retirement plan it was designed to be. (60 percent)

C. Refinance the program with general revenues but let those with private retirement plans stay out of the program. (28 percent)

No answer. (5 percent)

Udall: I think it makes sense to try to return Social Security to the supplemental retirement program that Congress originally had in mind. If we can move toward that goal while moving many of the auxiliary programs to other agencies, I think we can put Social Security back on sound financial footing. That is a goal I fully support.

8. Defense. International events have created new support for an increased defense budget. Countering this is pressure to bal-

ance the federal budget and to cut or at least hold the line on taxes and spending. Both pressures are real. Good, conscientious people on both sides can make strong arguments. Your position:

A. Increase the defense budget, and increase taxes. (31 percent)

B. Leave the defense budget at about the same level. (41 percent)

C. Increase the defense budget and pay for it with deficit spending. (19 percent)

No answer. (9 percent)

Udall: There can be no argument that the United States should not have the best fighting forces that money can buy. The argument will be, instead, how to answer the demands for a balanced budget and spending cuts? I think we have some choices to make in the 1980s, and a majority of Southern Arizonans seem to agree. Effective defense spending doesn't mean buying every costly, gold-plated, highly-sophisticated weapon our scientists can devise. On the contrary, the tactics, strategies and global politics of the 1980s may do more to dictate the structure of our defenses than anything else. I am committed to a tough, strong defense that gets the best bang for the taxpayer's bucks.

9. Business. Business in this country, say many people, is creaking under the strain of excessive government red tape and regulation. In the beginning, regulations were imposed to correct some very real wrongs, says one group, but things have gotten out of control. Today, they continue, regulation is not promoting the broad public interest, but eroding the fabric of free enterprise and the free market. Others insist that regulations now on the books are not only necessary, but that we haven't gone far enough in some areas to protect the public. In the middle are those who say that some regulation is probably necessary, but much is not, and Congress should set hard deadlines to rid us of the excessive and retain the effective.

A. Regulation of the free market seldom benefits anyone. We probably could get along very well with virtually no regulations. (15 percent)

B. Regulations are necessary. We may need a few more regulations to protect the general public. (10 percent)

C. Some regulation is necessary, but not all of it. Congress should establish a timetable to cut the bad regulation and retain the good. (72 percent)

No answer. (3 percent)

Udall: Some time ago, I introduced legislation to abolish the Interstate Commerce Commission. Clearly, it is an agency that has outlived its usefulness. When government regulations hinder instead of promote the free market and the broad public purpose, they should be done away with.

In the last session of Congress, I introduced "sunset legislation" which is another way of dealing with the problem of seemingly endless government agencies, programs and departments that are always created to address a need or correct a wrong, but seem to go on long after their mission is fulfilled. Sunset legislation would provide for their automatic extinction after a given amount of time. Congress must push harder for regulation reform. It's a movement I support.

10. Reducing Government. Select the single federal government agency or program that you would most like to see abolished.

Udall: Answers in this category ran the gamut, from proposing abolition of Sen. William Proxmire (which I can't do much about) to abolition of the War Department (which ceased to exist 33 years ago). But the top 10 most frequent answers included the following:

1. Department of Health, Education and Welfare
2. Foreign Aid
3. Department of Education
4. Environmental Protection Agency
5. Department of Housing and Urban Development
6. Occupational Safety and Health Administration
7. Research
8. Bureaucracy
9. Internal Revenue Service
10. Food Stamps

Fully more than half of all respondents, however, were unwilling or unable to list a specific agency or program by name.

It is worth noting, I think, that the total number of federal civilian employees—that group which most of us know as "the bureaucracy"—has actually declined by 93,083 since 1969.

Back in 1978, I was proud to have led the fight on the House floor for the Civil Service Reform Act. We won. One of the provisions of that bill was the Leach Amendment, which I helped save in a conference committee meeting. That amendment placed a limit on total federal employment through 1981. And the latest report shows that those limits are working.●

LONG-RANGE FINANCIAL PLANNING FOR LOCAL GOVERNMENT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MINETA. Mr. Speaker, the United California Bank recently informed me of their innovative new financial planning program for local government. This program, developed long before the popular emergence of the taxpayer revolt, reflects the responsive and farsighted thinking of the United California Bank.

The problems addressed by the United California Bank affect all of the financially hard-pressed communities in the country. I commend to my colleagues' attention the following message explaining the program:

THE CHALLENGE OF THE 1980's—TOUGH TIMES FOR MUNICIPAL GOVERNMENTS PRESENT AN OPPORTUNITY FOR BUSINESS

As we begin the new decade, the 1980s promise to be even more complex and frustrating than the 70s. And that's saying plenty.

We all remember the interminable headlines about the dire financial straits of New York and Cleveland. Four years ago, in an effort to head off "little New Yorks" from happening here in California, United California Bank started thinking about how we could help.

After nearly eight months of intensive study, we developed a concept called the "Small Cities Program." We put together teams of bankers, accountants, urban planners, political scientists, economists, systems analysts, and personnel specialists. Then we made them available to small cities to help them with their long-range financial planning. As a member of the business community, it was in our best interest to help communities where our employees worked and lived, and where their children attended school. It was important that these cities remained financially sound. And this was before anyone had heard of Proposition 13.

THE MONTEBELLO PROGRAM

After being invited in by Montebello, our team focused on three areas—financial management, effective planning practices, and work productivity improvement.

Working with Montebello officials, our team set up a work productivity program for city employees which saved \$35,000 in one year. A new budgeting concept enabled city officials to anticipate the impact of dollar availability on services such as trash collection and street lighting. The team established service-level budgeting, mid-range departmental planning, and long-range strategic planning.

Over all, the work took over 8 months and 1200 to 1500 hours—all at no expense to Montebello taxpayers. The public and private team members all finished this assignment with a new appreciation of the professionalism and dedication of their fellow planners. "Plan Ahead" now has real meaning in Montebello.

Similar programs are underway in three cities in the Seattle area, and in six cities in New England. In addition, the California Roundtable, a statewide organization of important businesses and associations, has adopted this program so that it can be extended to all kinds of local government units. Under their auspices, the project is gathering momentum. We're proud that our Small Cities Program has served as a model for others to emulate. We hope it will serve as a continuing example of how business can effectively assist the public sector solve many of its problems.●

H.R. 4265

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DONNELLY. Mr. Speaker, today, I have introduced legislation which would provide incentives for homeowners to make home adjustments, once thought too costly, which will allow handicapped family members to remain in the residence. Under present statutes, many family members are actually discouraged from providing home care for handicapped family members. By not extending a helping hand to these families, households are faced with relinquishing prime responsibility for those individuals to various public and private institutions, requiring increasing outlays of Federal moneys.

In June of 1979, I introduced H.R. 4265, a bill which would correct this problem, by allowing a dollar for dollar tax credit, up to \$1,000 per year with a ceiling of \$5,000 to install facilities needed to maintain as normal life as possible for handicapped members. This bill has been cosponsored by 56 Members with many more showing interest. Due to the current urgency to balance the Federal budget, many Members were hesitant to cosponsor due to the cost of the original legislation.

The legislation introduced today, will make available a 50 percent credit to households with severely handicapped family members. The Treasury Department has estimated that this clarification will substantially reduce

the cost of this legislation. The following is the Department's estimates:

REVENUE LOSS (Millions of dollars)		
	Calendar year	Fiscal year
H.R. 4265:		
1980	680	340
1981	1,000	840
1982	1,370	1,185
1983	1,510	1,440
1984	1,660	1,585
Legislation proposed on Apr. 15:		
1981	110	55
1982	165	140
1983	225	195
1984	250	240
1985	275	260

As you can see, these changes have had a major impact on the cost of this program while the legislation captures the spirit of H.R. 4265. I believe that this bill will, in the long run, save the Federal Treasury money that would otherwise be spent on less effective Government institutions to provide the same people similar care. Furthermore, it will allow families to give their loved ones the care and attention that no institution can duplicate.●

THE PENCIL PROBLEM—1990 OR BUREAUCRACY RUN AMOK

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. McDONALD. Mr. Speaker, the problem of Government regulation grows daily, and, in my view, we in the Congress have done little to make a dent in the problem. Each Member, I am certain has his or her own horror story to recite of people whose business or reputation has been ruined by an encounter with this mushrooming administrative law. In this connection Mr. Monte Throdahl, of Monsanto Corp., wrote a satirical piece on the humble pencil, and the message I receive is that 1984 is almost here and 1990 is getting closer. We in the Congress had better start getting a real handle on this problem. The item from the January/February Environmental News Digest follows:

THE PENCIL PROBLEM—1990

(By Monte Throdahl)

This is the story of the U.S. pencil industry. Remember, we are looking back from our vantage point of 1990. It's strange to think that, back in 1979, just anyone could use a pencil any way they wanted to.

You see, it all started when the Occupational Safety & Health Act carcinogen policy went into effect. The graphite in the pencil leads always contained a residue of crystalline silica. And there was at least one animal test and an in-vitro test indicating that crystalline silica produced tumors, so the material became regulated as a carcinogen. There was no alternate for pencils, so exposure had to come down almost to zero. Workers were put into protective clothing, and that solved the problem initially.

But then the Environmental Protection Agency, acting under the Clean Air and Clean Water Acts which soon had their own

carcinogen policies, required drastic reductions in emissions and effluents. The control technology was quite expensive, and only the largest manufacturers could afford it. This caused a flurry of antitrust suits in the early '80s when there were only three pencil makers left in the country. One of the three was split into smaller companies, but they soon went out of business since they were unable to afford increasingly stringent workplace and pollution control requirements. Then foreign pencil manufacturers began to threaten to dominate the pencil market, and our government, in an abrupt about-face, allowed a merger of the two remaining companies to meet overseas competition.

The Consumer Product Safety Commission then became concerned with what the newspaper headlines were calling the "pencil problem." Rubber erasers could be chewed off and choke small children. The sharp points of pencils could also be dangerous. There were residual solvents in the paint used on pencils, and pencil-chewing seemed to be a more widespread habit than anyone had realized. Printing a legend on each pencil that said: "This Pencil Could Be Hazardous To Your Health" did not seem to affect consumer pencil habits, Harvard study indicated. In fact, the study found additional potentially harmful uses, such as stirring coffee. This led FDA to declare that harmful substances could be dissolved out of the pencil into the coffee, and thus pencils violated food additive laws, including the Delaney amendment.

Trying to salvage its business, the pencil company began making pencils without paint, without erasers and with only soft leads so they would not hold a sharp point. But consumers were outraged, and sales declined.

Then someone invented a machine that could measure crystalline silica below the part-per-trillion level and workplace, air emission, water effluent, and waste disposal regulations required that the best practicable technology be used to reach this low level. The pencil company was threatened with financial ruin because of the large sums needed to purchase new control equipment. There were those that wanted to ban pencils entirely under the Toxic Substance Control Act, but the government decided that pencils were necessary, particularly since they were used to write new regulations. Besides, the Senators from the state where the pencil company was located declared that pencils were as American as baseball, and should not be replaced with ball-point pens.

So the government bailed out the pencil company with a large, guaranteed loan—called a Chrysler loan in those days. But, of course, that was only a temporary measure, and to protect the pencil business, the government eventually nationalized it.

It is comforting to know, after all, that society is being protected against a danger that was so obvious we didn't even notice it for many, many years. There are still those who complain about paying \$17 for a pencil, but you really can't put a price tag on health or safety.●

SOME SIMPLE WAYS TO SAVE MILLIONS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WEISS. Mr. Speaker, as we address ourselves to the problem of

agreeing on a sensible Federal budget, it is clearly more important than ever for us to make sure that we are getting our money's worth from each and every Federal dollar.

Our colleague, the distinguished Congresswoman from New York, ELIZABETH HOLTZMAN, has written a thoughtful article on Government waste and how to eliminate it. Her views deserve our serious consideration, because she speaks from personal experience. Due to her efforts the cost of New York City's summer feeding program has been reduced by millions of dollars.

I commend the article, which appeared in Newsday, to my colleagues. The text follows:

SOME SIMPLE WAYS TO SAVE BILLIONS

Ending waste, corruption and mismanagement in federal programs and agencies would help restore public confidence in government; for that reason alone it is well worth doing. But there would also be dramatic tangible results, because waste now accounts for billions of our tax dollars.

The substantial savings that would be produced by cleaning up government programs would be used for unmet national needs without increasing overall spending—in fact, we might even be able to cut taxes. And our government would work better.

For the skeptics, I offer examples:

In 1976, investigating constituents' complaints, I found that because of sloppy administration and irregular bidding practices, New York City's \$60 million federally funded summer food program for children was riddled with waste and corruption. Children were being given rotten food, prepared in dirty kitchens. Tons of food were being thrown away, littering whole neighborhoods.

When pressed to take action, Congress tightened competitive bidding requirements and ensured better administration of the program. The result: last year the program fed more children far better food for a cost of only \$19 million—two-thirds less than the program cost in 1976. (To put that \$40 million saving in perspective, it is eight times the amount the federal government spent in 1975 on public library services in New York State.)

In addition, evidence uncovered in the summer feeding program investigation led to the indictment of 24 people and the conviction of 17 of them.

Again: An investigation of the summer youth employment program revealed that it, like too many well-intentioned federal programs, was ineffective because of poor management and careless monitoring. Youngsters were paid for sitting around and doing nothing. Some were paid even if they didn't show up at the work site. A program whose primary purpose was to encourage responsible work habits was actually reinforcing the "no-work" ethic.

It took a good deal of prompting, but the U.S. Department of Labor and New York City instituted stricter management and monitoring procedures. The result: the program now gives us our money's worth by providing youngsters with real work and helping them learn what is expected of good employees.

We need not look far for other government programs suffering from the kind of loose competitive bidding practices and inept or sloppy management that were responsible for abuses in the summer feeding and youth employment programs.

"No-bid" direct leasing of facilities in the federally assisted day-care program in New

York City siphoned millions of dollars from funds needed for services for children. This waste of the taxpayers' money did more harm than many people realize; in addition to enriching unscrupulous landlords, it forced the closing of some needed centers for lack of money and it increased the burden on local taxes because it put program costs way over the maximum the federal government would reimburse. Breaking some of the phony leases has already produced significant savings; breaking them all would save millions.

Inept management explains the Immigration and Naturalization Service's ineffectiveness. The Iranian student situation has spotlighted the INS' inability to keep track of the millions of foreign students and visitors in the U.S. (Most illegal aliens in the New York area come to this country under temporary visas.) After becoming chairwoman of the House subcommittee on immigration, refugees and international law last year, I proposed measures to make INS capable of enforcing the law. Congress has recently adopted this new legislation, providing for the appointment of a special investigator to root out corruption, an independent management analysis, and funds to computerize INS operations.

Programs and agencies that don't work reflect years of inattention to making government effective. Congressional oversight has been lax sometimes because members of Congress are unwilling to scrutinize pet programs closely. Studies revealing inadequacies in program operations have often gathered dust.

Until recently, there were no mechanisms for uncovering fraud in federal agencies. Although, in 1978, Congress did create agency inspectors-general to investigate waste and corruption, these in-house "policemen" are not always effective enough. And the Justice Department has tended to give low priority to prosecuting fraud in government.

We cannot afford to let this situation continue. Congress must take its oversight responsibilities more seriously. Congressional committees should regularly and conscientiously take a hard look at the effectiveness of the programs under their jurisdiction. And there should be no "sacred cows." No government agency should be allowed to waste the public's money or to tolerate mismanagement.

Procurement practices throughout government should be tightened up. For example, certain exceptions to competitive bidding requirements that were intended to allow flexibility in emergencies or to protect the secrecy of highly classified projects too often become giant loopholes through which agencies avoided competitive bidding on routine purchases.

Exceptions should be frequently and carefully reviewed to make sure that they are really necessary and that they are not being abused. To ensure objectivity, purchasing practices by all federal agencies should be subject to independent, outside review.

We need to strengthen safeguards against the conflict of interest inherent in the so-called "revolving door," in which people leaving government service are immediately employed in a related field in the private sector.

State and local governments spending federal money should be required to adhere to strict procurement and administrative standards. Stricter controls on competitive bidding and more careful monitoring would, I believe, have kept costs down and ensured better quality in Suffolk County's federally assisted Southwest Sewer District project. Multiply the savings in this single project by the number of similar projects across the land and the conclusion is inescapable: We could save billions.

We must stop allowing those who rip off the taxpayers to get away with it. A recent General Accounting Office study shows that crime against the government now pays. Most people who defraud the government are allowed to keep their ill-gotten gains because the Justice Department is preoccupied with criminal prosecutions and rarely follows through with the civil suits needed under present law to recover the loot.

The Justice Department must improve its prosecutorial practices. In addition, we need legislation to allow automatic recovery of the money that convicted defendants gain from fraud. We also should insist that federal prosecutors give high priority to cases involving fraud and that federal law enforcement officials be better trained to uncover fraud.

And we must demand modern, efficient, cost-effective management in government. We should seek to draw on the expertise of people with proven management ability in the private sector.

My experiences with a host of federal programs have convinced me that making our government more effective is not beyond our grasp if we insist—and keep insisting—on these simple, practical steps:

Better congressional oversight;

Improved procurement practices, particularly with respect to loopholes in competitive bidding requirements;

Tight administration with attentive program monitoring;

Vigorous prosecution of fraud; and

Drawing on private management experience.

Our tax dollars will go much further and we will have a Government that we can respect.●

THE INDEX THAT FEEDS INFLATION?

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, in the March 24 edition of *Business Week*, Mr. William Howard, a former accountant with the Department of the Treasury, wrote a most interesting column about some of the difficulties with cost-of-living adjustments to wage and pensions which are tied to the Consumer Price Index. Clearly, the idea of cost-of-living adjustments is a difficult subject that we will be hearing a great deal about. I don't yet have the answer to this problem, and I doubt that we should change the rules after the fact. But as more and more groups move to get automatic indexing we will have added problems and heavy costs. Clearly cost-of-living adjustments are justified, but we have to make sure that they realistically reflect increases in relevant prices.

THE INDEX THAT FEEDS INFLATION

(On Jan. 31, 1980, William D. Howard, a retired federal employee, wrote a letter to Mrs. Janet Norwood, Commissioner of Labor Statistics. *Business Week* has obtained his permission to reprint it. The editors consider it an interesting and informative study of the inflationary impact that results when cost-of-living adjustments in wages or pensions are based on the consumer price index compiled by the Bureau of Labor Statistics.)

DEAR MRS. NORWOOD: According to the Jan. 2, 1980, issue of *The Wall Street Journal*, you spoke to the National Association of Government Labor Officials and defended the BLS consumer price index against claims that it exaggerates the inflation rate. . . . I submit to you that an honest analysis of my own personal financial status reveals more about the impact of the BLS's actions than can be derived from opinions of economists.

Let's start with my 43rd birthday, July 1, 1968, when as a middle-management federal accountant, Grade 15, Step 8, I was earning \$22,000. Federal workers then became subject to the "Comparability Pay" law. My salary would have changed little had the "average" pay of the private sector surveyed been used, but it wasn't. The BLS used special weighting curves and other refinements they felt necessary to achieve "comparability," and instead of my pay increasing 22 percent in the next 4½ years, it spurted 54 percent to \$34,971 by January, 1973, without any promotions. It would be \$50,112 a year today if I had not retired on my 50th birthday, July 1, 1975.

During the 4½ years since my retirement from federal employment, my Civil Service annuity (#1 810 115), which started at \$1,922 a month, will reach \$3,075 based on the CPI-W [The index that applies to wage earners and clerical workers] of 230.0 at December, 1979. Thus, I now receive 63 percent more retired than I did working in mid-1968, primarily due to the impact of the BLS's determination of "comparability pay" and calculation of CPI-based cost-of-living allowances.

In your speech, which I referred to at the outset, you stated:

"We have one official consumer price index, and we will continue to have one official consumer price index."

"The CPI is the best measure of purchasing power we have."

"The purpose of CPI cost-of-living adjustment has been to permit people to purchase in today's prices the bundle of goods and services they purchased in the base period, thereby leaving them at least as well off as they were then."

This means that I do not have to switch to pork, chicken, or even pasta, as others do, because the cost of beef and veal has gone up more in the last eight years than meat substitutes. I am entitled, according to you, to eat the same quantity and quality of beef and veal as I did in 1972-73, when it was cheap.

I still get to drive gas-guzzling big cars at 6 to 8 m.p.g., just like people did when the CPI was "based" and gasoline cost 41¢ instead of the \$1.20 now. When the government urges conservation, it is at variance with your contention that we (CPI-based COLA recipients) should be left at least as well off as before. Heating oil was 19¢ a gal. at the CPI base, plentiful too. I can ignore the government's urging that I insulate my home, roll back the thermostat, etc., and heat with the same amount of oil as before at today's prices.

As to my home, I live in a new house acquired just before I retired in 1975, and although the value has doubled and I can take \$100,000 tax-free profit, and the monthly payments are not a bit more, the housing components of my CPI increases of more than 50 percent have handsomely increased my income. Is it true that the CPI assumes that I can only sell my house for the equity I have paid into it and assumes that I repurchase and refinance a portion of my house every year?

My radial tires for my cars get 40,000 m.p.g. these days, but my cost-of-living allowances based on the CPI assume that I still get

only 15,000 because quality improvements (except for new automobiles) are ignored.

Medical care costs have risen dramatically in the last eight years, and my CPI-based income has been raised accordingly, yet my former employer continues to pay a large portion of my health insurance, and my costs are about the same.

I know that I am very fortunate to have your CPI income protection, as are 50 million other people who are similar beneficiaries. But don't you think, honestly, that it is unjust enrichment? Frankly, it scares me to contemplate what this transfer of payments from one group of citizens to another means. For myself, I am busily engaged in a second career in the private sector, but not everyone is—due to the influence on incentives.

For example: A local fellow who used to work for the same government bureau I did retired 1½ years ago. I called him last week about a job opening similar to the one I got after retirement. He is a CPA and figured that from the \$24,000 salary to start, on top of his CPI-based federal annuity, federal, state, city, and FICA taxes, and commuting expenses would leave him only \$9,000 for working, and he therefore was not interested. Why should he support the system?

I understand that BLS's Monthly Labor Review welcomes communications that are factual and analytical, not polemical in tone. Although this one is a bit embarrassing to me personally, it is a story that needs to be told, even if it ultimately results in less unjust enrichment to CPI cost-of-living benefit recipients.

Sincerely,

WILLIAM D. HOWARD.●

THE WRONG TIME FOR REGISTRATION

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RATCHFORD. Mr. Speaker, the appropriation providing for pre-mobilization draft registration poses the most difficult issue which I have faced in 1980. When President Carter first announced his plans for draft registration in January 1980, it appeared that the request was both necessary and appropriate. Having studied the issue carefully since that time, I no longer share that view.

As recently as January, the Selective Service issued a report claiming that pre-mobilization registration would save as few as 7 days in the event of military mobilization. A Congressional Budget Office study estimated that registration would save 13 days. According to Defense Department estimates, even without pre-mobilization registration the Selective Service would be able to place draftees in the field within an acceptable timeframe in case of a national emergency.

The proposal for draft registration before us today fails to address our most serious problem in military preparedness, that of low levels of compensation for military personnel and the lack of adequate incentives for the retention of skilled personnel who are so critically needed in our Armed Forces. In spite of the budget problems created by difficult economic

times and the need for fiscal restraint, I am prepared to support more adequate funding to insure that our Nation meets its military manpower needs in the years ahead.

Those opposing pre-mobilization registration after a careful examination of the proposal before us represent a true cross section of American thinking. As recently as last week, former President Gerald Ford voiced his opposition to the registration proposal, and he has been joined by Senator EDWARD KENNEDY and former California Governor Ronald Reagan.

This Congress will be in session until October. If international conditions during this period should require the Congress to reconsider this issue, we will have that opportunity. In the meantime, I will also lend my support to appropriations for the Selective Service System so that it can develop and have ready a post-mobilization registration plan to enable the Nation to respond more quickly to a national emergency.

However, it is my judgment that pre-mobilization draft registration is not necessary, appropriate, or justified at this time.●

FmHA LOAN MORATORIUM ACT

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. NOLAN. Mr. Speaker, low commodity prices, inflation, and high interest rates are deepening the economic problems in rural America, rapidly leading to a situation where foreclosures on loans to farmers may become commonplace. Therefore, as a first step to prevent the Nation's farmers from losing their farms and farming operations because of economic circumstances beyond their control, I am introducing the Farmers Home Administration Loan Moratorium Act which mandates moratoriums on the payment of principal and interest on all FmHA loans if the borrower so requests.

The farm financial crisis already has prompted the President to sign the bill placed before him by Congress to extend the Farmers Home Administration's economic emergency loan program. But the Carter administration refuses to support legislation to raise commodity prices so that farmers will have an opportunity to earn an income and to reduce their debt. Indeed, White House policy has been to keep commodity prices low through an inadequate price support program, through a faulty reserve program which dumps grain onto the market at low-release levels, through a policy of allowing cheap, subsidized imports to undermine the domestic price structure and through the embargo on sales of grain to the Soviet Union. On the other hand, the Government's credit arm, the Farmers Home Admin-

istration, is beginning to foreclose on farmers because they cannot continue their payments or demonstrate an adequate cash flow to continue carrying the loans. Little wonder, when the President is pursuing a policy designed to keep commodity prices at chronically low levels.

For 1980, the Department of Agriculture is projecting a 20-percent to 30-percent drop in net farm income—a reduction which is being caused by Carter administration policies and which will undermine the ability of many farmers to continue servicing their debt. According to the Minnesota Department of Agriculture, farm debt in that State is rising at one of the sharpest rates in the Nation. Outstanding farm debt in Minnesota is heading for an all-time high of nearly \$9 billion.

In a general economic crisis such as that which exists today individual farmers are not to blame for their mounting burden of debt and their declining ability to pay it. Indeed, the Government encourages such a situation by providing more credit at high interest without taking any action to enable farmers to earn an adequate income in the marketplace.

While farmers may direct a great deal of anger against the Farmers Home Administration, the real culprit sits in the White House. The President probably will resist any attempt by FmHA officials to exercise their discretionary authority to allow the wider use of moratoriums on FmHA foreclosures. My bill therefore mandates such moratoriums for the duration of the current economic crisis.

The legislation I am introducing modifies existing discretionary FmHA authority to offer moratoriums by requiring FmHA, at the request of any borrower, to offer moratoriums on outstanding loans during the period of general economic distress in agriculture.

Specifically, whenever the returns to equity in agriculture are less than in the nonfarm sector of the economy, FmHA borrowers will have the option of requesting a moratorium on repaying the principal and interest on their loans. Returns to equity are a direct indicator of ability to retire debt. The extremely low returns on investment in agriculture over the past several years do not mean that we have a nation of farmers who are bad managers but reflect the Government's long-term policy of keeping commodity prices and farm income at depressed levels. The moratoriums therefore will be in effect until the returns to equity in agriculture are equal to or greater than in the nonfarm sector.

I urge your support for the FmHA Loan Moratorium Act in order to help prevent a larger number of farm families from being driven off the land.●

BRANDYWINE HEIGHTS HIGH SCHOOL WRESTLING TEAM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. YATRON. Mr. Speaker, it is with a great deal of pride that I draw my colleagues' attention to the achievements of the Brandywine Heights High School's sectional and district III championship varsity wrestling team.

On May 6, 1980, a dinner will be held in Reading, Pa., sponsored by the Brandywine Heights High School to honor these fine young men for their outstanding athletic accomplishments.

These young students are a fine example of what can be accomplished when Americans are challenged, motivated, and encouraged to excel. A special tribute must also be paid to the principal, Wayne Dennis Krause, and the educators and coaches at Brandywine Heights High School whose attitude of excellence has fostered discipline and stimulated hard work to produce the champions who are to be honored by this dinner.

I know that my colleagues will join me in wishing the members of the Brandywine Heights High School varsity wrestling team success in future endeavors and congratulating them for their fine accomplishments.●

A GROWING CONFLICT

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. EDGAR. Mr. Speaker, I insert in the RECORD an article which appeared in the Sunday edition of the Washington Post written by Felix Rohatyn. Mr. Rohatyn describes the growing conflict between the "have" and "have-not" States of the country. This is an issue which has concerned me a great deal in my work as chairman of the Northeast-Midwest Congressional Coalition. I urge my colleagues to read and become familiar with this important issue.

THE AMERICAN HAVES AND HAVE-NOTS

(By Felix G. Rohatyn)

The United States today consists of "haves" and "have-nots." The "haves" are the sunshine states, with population growth, natural resources, new industrial locations. The "have-nots" are the old industrial states of the Northeast and the Midwest. Decaying urban areas with shrinking tax bases face increasing needs to provide services to a population less and less able to pay for them. Racial tensions in the ghettos combine with increasing middle-class frustrations to create a potentially explosive mixture.

In recent years, a fragile equilibrium has been maintained: New York City, which had a close brush with bankruptcy in 1975, has since reduced its deficit from \$2 billion to \$400 million, reduced its work force drastically and refinanced \$6 billion of short-term

EXTENSIONS OF REMARKS

debt. Other northeastern and midwestern cities maintained reasonable stability until the onset of the current round of inflation and recession. In the last year or so, Cleveland, Chicago, Buffalo, Philadelphia and Washington, D.C., have seen their fiscal equilibrium shattered and, as the recession deepens, with inflation still in double-digit ranges, they will be faced with widening budget gaps and greater and greater social strains. New York City, which by law must eliminate its deficit in the year beginning July 1, 1981, will have to cope with a significantly higher gap due to inflation and recession. To this is added the loss of revenues caused by federal cutbacks and industrial layoffs. In half the country, we have an environment of unrelieved misery.

The actions that these cities and states will take to close their deficits are both inevitable and counterproductive. They involve a combination of local tax increases combined with service cuts and layoffs; both have the effect of driving more taxpayers out and deepening the economic downturn in the cities. From the federal government's point of view, the effect is equally counterproductive. Local tax increases reduce federal revenues, since local taxes are deductible for federal income-tax purposes. Local layoffs increase transfer payments for unemployment. Deficits are increased; the recessionary cycle is deepened.

It is in this environment that we superimpose a new phenomenon: the skyrocketing revenues (mostly in the form of severance taxes and royalties) to be collected by the oil-producing states as a result of oil-price decontrol. The Northeast-Midwest Institute has recently published a study estimating that from 1980 to 1990 the states of Alaska, Texas, California, Louisiana, Wyoming, Oklahoma, New Mexico and Kansas will collect increased tax revenues amounting to \$115 billion. Alaska will, on the average, increase its annual revenues \$3.3 billion per annum, over 300 percent of its current annual expenditures. Texas will, on the average, increase its annual revenues by 90 percent of its current annual expenditures. Alaska just abolished its income tax and is paying cash dividends to its citizens. An attempt was made to subject these revenues to the windfall profits tax; it failed.

Ironically, revenues to these states from a variety of federal assistance programs such as revenue sharing would actually increase because of the definition of "tax effort" in grant distribution formulas. Thus, federal assistance will increase in areas of dramatically lesser needs, while it will be reduced in those areas where need is greatest.

Much has been made recently of budget surpluses at the state and local government level. But over 60 percent of state surpluses in 1978 were concentrated in those eight states accruing more than 90 percent of revenue increases from oil decontrol over the decade. Like a domestic version of OPEC, the oil-producing states can use their vast revenues to lower other taxes, increase services, attract industry by almost unlimited means; their economies as well as the economies of surrounding states will get significant boosts.

And, like a domestic version of the Third World, the Northeast and Midwest, importers of fuel, needy for additional federal assistance, will bear the burden since, after all, this is a zero sum game. It is really not very difficult to see where this inevitably leads. Half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth. This is not the stuff of a stable democracy; it is not the stuff of a union of states. For a union to survive there must be a sense that both bur-

dens and benefits are shared on an equitable basis.

If we wait for the crisis, as we did with OPEC and the Third World, it will be too late. A short-range and long-range program should be examined by the President and the Congress to remedy this situation. It should include:

For the short run, an institution modeled after the Reconstruction Finance Corporation of the 1930s to provide low-cost, long-term financing to permit those localities in difficulties to weather the next few years.

Federal formulas for assistance programs to be modified to provide money where it will be most needed, as suggested, for instance, in Sen. Daniel P. Moynihan's bill to revise the Medicaid matching formula.

For the long run, new permanent revenues must be funneled to the Northeast and Midwest, in the form of direct federal budgetary assistance and incentives for private industry to remain and grow. A possible source of revenue could be created by dedicating a portion of a national gas tax for that purpose.

The solution to this problem is as complex as it is vital. It clearly does not lie in letting market forces work their will since they will only exacerbate the situation. Neither is it in counting on the current recession, which will only force local actions, making matters worse, both for the cities and for the country. Urban America must be a fit place for middle-class people to live, work and bring up their children. A business-labor-government partnership must reach into the ghettos to provide employment and opportunity; a black or Puerto Rican youngster in Bedford-Stuyvesant should know that, if he stays in school and out of trouble, he will have a job. There is clearly more than enough to be done. Over the next decade, massive investments must be made in mass transit, in retooling the automobile industry, in improving our railroad system, in financing a domestic energy program. It is unthinkable that we cannot find a way for the entire country to share in this activity.

In a worldwide war of ideologies and ideas, it will be difficult to claim the virtues of our system if Philadelphia, Washington, New York and Chicago are turned into slums. None of this is easy but there is still time. Five years from now it will be too late. This country will soon be called upon to participate in a major international financial effort to help the Third World, either through increased commitments to the World Bank, the International Monetary Fund or other similar institutions. It is an effort that will have to be made. However, on our scale of priorities, our own Third World should come first.●

EARTH DAY, 1980

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. PORTER. Mr. Speaker, today, April 22, 1980, marks the 10th anniversary of Earth Day. In this era of concern for an environmental ethic to secure the Earth for future generations, Earth Day reaffirms our continuing need for an organized effort to improve the environmental quality of this planet and enhance its natural resources.

Thousands will gather today to reflect on the progress we have made in the past 10 years in protecting our

water, air, and land, and to develop a grassroots agenda for the continuing struggle of the next 10 years. Urban environment workshops are scheduled in my district, at Evanston, Ill., to celebrate Earth Day, 1980.

The past decade has seen environmental concerns become a viable political force, and an impetus for revolution in national attitudes through an explosion of new laws and regulations. The intense environmental legislation of the 1970's has included: National Environmental Quality Act, Water Quality Improvement Act, Clean Air Act, Toxic Substance Control Act, Occupational Safety and Health Act, Resource Conservation and Recovery Act, Safe Drinking Water Act, and Surface Mining Control and Reclamation Act.

The Federal Government created various institutions to monitor the environment: Environmental Protection Agency, the Council on Environmental Quality, the Occupational Safety and Health Administration, and the National Oceanic and Atmospheric Administration.

The most important change which has occurred in the past decade, however, has been the change in our value system to encompass environmental concerns. Citizens and industry no longer feel, morally and legally, that they may treat the environment like a wastebasket.

With these values in mind, we face new environmental challenges in the 1980's. We are no longer concerned just with maintaining clean air, land, and water, as in the 1970's, but with sustaining life on this planet: the dilemmas of toxic chemical waste, acid rain, carbon monoxide changing the Earth's climate, and diminishing agricultural lands for food.

Along with these newly recognized environmental challenges, we also face the social and economic problems that seem so urgent: Inflation, and recession, too, the energy crisis, and the subjugation of human freedoms and human rights.

Addressing these environmental and economic and social problems will require a great deal of commitment and sensitivity and understanding to insure that the quality of life for all the people of our Nation and of our planet is protected and enhanced. The challenges are clear. The question is whether we will be able to look back 10 years from now and say that we were equal to them. ●

WHY I LOVE AMERICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, as Governor of this great Nation's largest State, Ronald Reagan's tenure can be characterized in two words: Exuberance and hope. In this day of double-

digit inflation, double-digit interest rates, and a floundering foreign policy, these words have become next to nonexistent. Yet, Governor Reagan courageously refuses to eliminate them from his vocabulary. I look forward to the day when we shall see the return of the words "exuberance and hope." Governor Reagan, in the following article from the National Enquirer, expresses his belief that those days shall return. I urge my colleagues to read it. How about as a campaign song the old Irish ballad, "A Nation Once Again."

The article follows:

WHY I LOVE AMERICA

(By Ronald Reagan)

To me, America is a living, breathing presence.

America is unimpressed by those who say something is impossible. She is proud of her success, she is generous and sometimes naive. She is sometimes wrong, never mean and always impatient to provide a better life for her people within a framework of basic fairness and freedom.

Someone once said that the difference between an American and any other kind of person is that an American lives in anticipation of the future because he knows it will be great, while other people fear the future as just a repetition of past failures.

There's a lot of truth in that because if there's one thing we are sure of, it's that history need not be relived.

We live on a continent whose three countries possess the assets to make it the strongest, most prosperous and self-sufficient area on Earth. Within the borders of North America are the foods, resources, technology and undeveloped territory which, if properly managed, could improve the quality of life for all its inhabitants.

We who are privileged to be Americans have had a rendezvous with destiny since the moment in 1630, when John Winthrop—standing on the deck of the tiny Arbella off the coast of Massachusetts—told a little band of pilgrims:

"We shall be as a city upon a hill. The eyes of all people are upon us, so that if we shall deal falsely with our God in this work we have undertaken and so cause Him to withdraw His present help from us, we shall be made a story and a byword throughout the world."

During our 200 years of freedom we've met the challenge of Winthrop's prophecy. I love America for this capacity—the capacity that meets every challenge with strength, courage and moral guidance. ●

EMBARGO HAS SPRUNG A LEAK

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mrs. SMITH of Nebraska. Mr. Speaker, confirming a latent suspicion that the embargo on grain shipments to Russia would end up hurting us more than it did them, is a perceptive editorial in the April 10, 1980, edition of the Lincoln (Nebr.) Journal.

Because the embargo decision has a direct relationship to our efforts to bring allied pressure to bear on Iran for the release of the hostages, there is, as the editorial suggests, a lesson from the embargo fiasco, and we should be prepared to apply it in an-

swering some relevant questions before we judge our allies too harshly.

I commend it to the attention of my colleagues:

EMBARGO HAS SPRUNG A LEAK

It turns out the doubters and skeptics may have been right; a foolproof international grain embargo spanking the Soviets for sticking a sword through Afghanistan wasn't in the cards.

President Carter's order holding annual American exports of grain to the Soviet Union at a contracted 8 million metric tons, rather than allow shipments to balloon to an expected 25 million tons, hasn't seemed to drastically punish the Russian aggressors.

Wednesday's report by the U.S. Department of Agriculture that the Soviets apparently will be able to achieve about five-sixths of their current feed grain import goal was confirmation the Carter embargo hasn't had the maximum cutting effect intended.

Why is Moscow successfully persevering?

Because Argentina and Brazil became eager new suppliers of grain for Moscow. More depressing is suggestive USDA data that Canada and Australia, after pledging not to sell boatloads to the Soviet Union above their traditional export levels, wretched.

If the Russians are able to import all but 4.5 million metric tons of grain out of an overall goal of 35 million tons, it cannot be said the Ivans will be massively forced to liquidate livestock and poultry feeding programs.

Any disinterested analysis of the situation is likely to conclude that if further information affirms the USDA's preliminary report, Carter's well-intentioned act designed to hit the Russian bullies in the stomach may end up being a self-inflicted political wound. There isn't any question that it's already hurt many a grain producer.

Perhaps there is an applicable lesson here.

And that is the United States realistically should not expect Japan and Western Europe to cooperate in applying hurtful economic sanctions on bandit Iran. It is not in their gut economic interest to do so. The domestic imperatives which pull civilized nations apart today appear more powerful, alas, than that which should bond them, for their common well-being.

Our friends and allies may feel as sympathetic as a chorus of weeping angels about the imprisoning of 50 Americans, and the horrible violation of international law in Tehran. But they also have a need for Iran's oil which is more than slight.

Only if the United States is willing to provide Japan and Western European nations with oil to replace Iranian crude given up in the bargain could Washington even get the initial attention of allies.

Is the U.S. prepared to do so? Would America agree to reduce its daily imports by at least 2 million barrels a day? If that meant gas rationing, would American citizens accept such a sacrifice?

Would you? ●

THE GOLDEN WEB OF GOVERNMENT

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, although it is deceptively easy to rave against big government, when it

comes to specifically what programs should be cut, many people pause.

Social security? Revenue sharing? Foreign aid? Education? Welfare? We all have our own priorities, of course. That is why I have voted for every across-the-board cut in the budget and have opposed every foreign aid bill to come before this Congress.

But, as Jay W. Gossett, editor of the *St. Elmo*, Ill., Banner, puts it, who has not visited the Federal faucet? "What a gargantuan web political deceit has woven; it enmeshes us all with its gluey, golden strands."

I highly recommend Mr. Gossett's December 5, 1979, editorial. Although he offers no solutions, he does remind us that somewhere, somehow we must begin the Herculean task before the strangling web squeezes out the death rattle of the notion that free men can govern themselves.

The editorial follows.

WHO ISN'T AT FAUCET?

You've all heard the expression, "Getting the cart before the horse," while the subject of this essay is "Getting the cartoon before the horse sense."

The cartoon in this case is slightly to the right under the drawing of the judge and labeled "Passing Sentence." The passing sentence in this instance is a quotation lifted from former U.S. Secretary of Treasury William E. Simon's tome, "A Time for Truth." The quotation goes, "More than 60-million Americans now get some kind of check from the government. They gather beneath the federal faucet. They agree that it pours forth a torrent, and that the handle appears to be missing. But rather than summon a plumber they jockey for position beneath the stream with buckets, pans and cups."

It didn't take much imagination to visualize a handle-less faucet from which pours a torrent of dollars bills. Simon provided the graphic imagery, but when I decided to identify some of the face-less, nameless 60-million, a chain reaction began exploding like one of those strings of Chinese firecrackers we once ignited to celebrate Independence Day.

Of course, the first thought was to label them loafers, welfare cases, and the jobless—nobody that you and I know. But then the mental pyrotechnics began to illuminate some other faces—just about any governor you'd care to finger; a host of small town mayors—St. Elmo has certainly visited the faucet. But the list grows—educators at every level and what board of education hasn't approved an application for a slice of the federal pie—St. Elmo's summer school comes to mind. But that's not all—what parent of a college student hasn't signed an application for a grant or a government-insured student loan? And, if your child (and mine) lunches at school, we've been to the federal faucet.

The list goes on and on—farmers are certainly subsidized, both voluntarily and involuntarily. And then the finger of flashing light touches another very large segment of the populace—the Social Security recipient. This final glorious burst of light illuminates virtually the entire populace. Who, of us, if not a recipient, can say he or she is not related to one?

Not even a Michaelangelo could cope with a canvas of the size and scope required to include all of us, who if we have not been directly under the federal faucet, cup in hand, at least has been splashed by the onus.

What a gargantuan web political deceit has woven; it enmeshes us all with its gluey,

golden strands. The very thought of trying to extricate ourselves from such a gargantuan web boggles the mind and debilitates the will.

Somewhere, somehow we must begin the Herculean task before the strangling web squeezes out the death rattle of the notion that free men can govern themselves. ■

SUPPORT FOR CAPITAL COST RECOVERY ACT CONTINUES TO GROW

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

■ Mr. JONES of Oklahoma. Mr. Speaker, the Financial Executives Institute and Carlsbrook Industries have communicated their endorsements of H.R. 4646 to me. I am pleased to have the support of these two active and important organizations in our battle for a rational and effective depreciation tax policy.

This bill will increase America's productivity and provide impetus for the capital formation that is so necessary for a healthy private sector in our economy. The support for this bill, since BARBER CONABLE and I introduced it, has been very encouraging. I thank the nearly 300 of my colleagues who have added their names to this bill. And I extend a special thanks to the Financial Executives Institute and Carlsbrook Industries for their endorsements, which I know will prove helpful in the passage of this vital legislation. At this point in the RECORD, I insert the letters of endorsement:

FINANCIAL EXECUTIVES INSTITUTE,
New York, N.Y.

HON. JAMES R. JONES,
House of Representatives,
Washington, D.C.

DEAR MR. JONES: On behalf of our Committee on Taxation and the 11,000 members of Financial Executives Institute, representing 6,000 companies both small and large, I want to express our recognition of your able and most important part in drafting the Capital Cost Recovery Act of 1979. If enacted, this bill will go a long way toward meeting the country's essential capital needs.

I assure you that we actively support quick passage of your bill.

Sincerely,

DONALD K. FRICK,
Chairman, Committee on Taxation,
Financial Executives Institute.

CARLSBROOK INDUSTRIES INC.,
Iselin, N.J.

HON. JAMES R. JONES,
Cannon House Office Building,
Washington, D.C.

DEAR SIR: This letter is to reconfirm our support of your cosponsorship of the Jones-Conable "10-5-3" Bill (H.R. 4646).

We are pleased that you have been able to assist in generating a very positive response to this bill from your colleagues and thank you on behalf of Carlsbrook Industries for your continued efforts in this direction.

Very truly yours,

JAMES W. MORRISON,
President. ■

AMERICA'S CHALLENGE—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

■ Mr. McDONALD. Mr. Speaker, one of the true beacons of constitutional government in our times, as well as being a spiritual and moral leader, is Mr. Ezra Taft Benson, a man I very much admire. He gave a speech at the Constitutional Crusade in Scottsdale, Ariz., on February 23, 1980, on the decline of the United States and what might happen if we do not reverse the present trends. It was a thoughtful and solid speech that more people need to read. Therefore, I am inserting it into the RECORD at this point for the edification of my colleagues:

AMERICA'S CHALLENGE

It is an honor and a privilege for me to stand before you this evening. I do so gratefully and humbly; grateful for the opportunity to be in your presence, and humbled by the responsibility to say something that may be uplifting and of value to you.

Through my good friend, the late Clarence Manion (former professor of constitutional law and dean of Notre Dame Law School), I have an item from a professional archeologist who died a few years ago in Rome. During a long lifetime of professional diggings he had turned up hundreds of relics and readings from the ancient past. Always a passionately patriotic American, he didn't like the way things were going here in recent years, and in one of his last letters he sent his anticipation of an epitaph that, centuries from now, some exploring archeologist might find carved upon the unearthed tombstone of the United States. Here it is:

"Here lies the greatest civilization that the world has ever seen. It died at the peak of its tremendous power, which it refused to use in its own defense.

"Here lies the nation that wagered its fabulous wealth and strength upon the love of mankind and in the process of the wager, lost all three.

"Here lies the people who abandoned their priceless patriotic heritage of religious truth and with it their freedom and their will to live.

"Here lies the last best hope of earth. Here lies the United States of America."

This may sound like a somber note on which to begin a talk to a group of dedicated, devoted, and inspired citizens. Were it not for such groups as this the conditions in our country would be somber indeed. Historically, groups such as you have been one of the backbones of our great freedom-based free enterprise system—our American way of life.

Yet, while most Americans continue to have their heads in the sand and enjoy their comfortable complacency, the fact remains that the American way of life, which has given us the highest standard of living and more of the good things of life than any other civilization, is under attack as never before. Some of the most prominent targets now under grueling fire in this war against our American way of life are the Ten Commandments, the Sermon on the Mount, the Constitution of the United States, and the institution of private property. Surely this is a time when groups represented by you here tonight might well give consideration to the important matter of citizenship re-

sponsibility—political, economic, social, moral, and spiritual.

Because of the nature of the message I bring, I have committed most of it to writing. I am not here to tickle your ears—to entertain you. The message I bring is not a particularly happy one, but it is the truth and time is on the side of truth. I will talk to you frankly and honestly as one who has a deep love for our country.

As Americans, we share a serious citizenship responsibility. The Prophet Joseph Smith declared, "it is our duty to concentrate all our influence to make popular that which is sound and good and unpopular that which is unsound." (HC 5:286.)

Another great American religious leader, David O. McKay, once said: "No greater immediate responsibility rests upon members of the Church, upon all citizens of this Republic and of neighboring Republics than to protect the freedom vouchsafed by the Constitution of the United States." (CR, April 1950, p. 37.)

As Americans, we have marched a long way down the soul-destroying road to government regulation, socialism, and atheism. It is the price we pay when we turn away from God and turn to government to do everything for us. It is the formula by which nations become enslaved by their own leaders.

As England's Lord Acton so succinctly put it, "Power tends to corrupt—but absolute power corrupts absolutely." (Essays on Freedom and Power, p. 364.)

Increasing numbers of Americans today are subscribing to the myth that you can get something for nothing—as long as the government is footing the bill. In fact, they believe it is the duty of government to take care of them from the cradle to the grave.

There is no such thing as a free lunch. Everything we get from the government—everything—we pay for in debilitating taxes. Everything the government gives to the people, it must first take from the people. This is something few Americans appear to understand.

We tend to forget how America became the greatest, most prosperous and powerful nation in the world, blessed with an abundance of everything needed for the good life.

It didn't just happen. I wasn't an accident. It was all an integral part of the divine plan for America. In the early frontier days of this country a special breed of men and women came here from all over the world seeking not only opportunity, but freedom. They were strong, proud, and fiercely independent. They believed that the surest helping hand was at the end of their own sleeves. They shared one thing in common—an unshakable faith in God, and in themselves. And that, without doubt, is the secret of success which is as viable today as it was then.

With little but raw courage and indomitable purpose, those intrepid pioneers set forth into the unknown by covered wagon, on horseback, and sometimes on foot. The land demanded iron men with steel in their backbones. Nature did the weeding out. But they didn't whine or bleat because things were tough. They asked no favors from any man. They knew what they were up against and they accepted the challenge. All they wanted was to be left alone to do what had to be done. (No people in America have a richer heritage of this spirit than the people of Arizona. God bless you.) Yes, they were wrenching a civilization out of the wilderness.

America soon blossomed into a rich, fertile, productive nation. Individual initiative—free enterprise—paid off, and American ingenuity flourished in a climate of freedom. Very soon our technology, our in-

ventiveness, and our business know-how became the envy of the world. America had reached maturity, a giant among nations, a glowing example of free enterprise in action, and a perfect demonstration of what free men can do when they are left alone to do it.

But, as those affluent years slipped by, voices were heard in the land singing the siren songs of socialism. And many Americans tapped their feet to the beat of the music. Politicians were already promising something for nothing . . . that elusive free lunch. Thus, gradually, the people let the government infringe upon their precious freedoms and the preliminary signs of decay began to appear in our young Republic.

Our economic situation, I believe, is extremely serious. The facts are harsh and cold. This is a grim topic. But how can one soften the truth? Inflation, like an insidious disease, is weakening us.

We are in this position because we have lost our national pride, our sense of independence. When we want something, we go crawling to the government instead of doing it ourselves. We have exchanged those God-inspired principles, upon which this once mighty nation was built, for regulations and handouts—a mess of shoddy values. No wonder our structures of freedom are cracking.

Many voices in government today are blaming businessmen, the unions, and even the buying public, for not practicing thrift and economy in their shopping habits.

The blame for inflation must be laid directly at the door of the federal government itself. Inflation is an increase in the nation's money supply—an increase, to be more exact, in the supply of money and credit.

Inflation is not caused by rising prices and wages. To the contrary, rising prices and wages, as any solid economist knows, are the direct result of inflation. It stands to reason that when the money supply is increased, all money automatically becomes less valuable. This includes, of course, our savings.

So . . . when our dollars shrink in value, businessmen naturally raise their price tags, and then their employees demand higher wages. You can see how it all becomes a vicious circle.

In a free society such as ours only the Federal Government can cause inflation. And the reason it puts more money into circulation is to finance its disastrous policies of deficit spending.

As the Federal Government promotes more and more costly and unnecessary programs, it spends far more than it receives. So, to keep in business, the government has to borrow. To do this it offers bonds which are purchased mainly by private banks. Many of these bonds are resold to the Federal Reserve. The Federal Reserve then issues newly printed paper money—or issues credit to pay for the bonds. Thus, new money is created—the money supply is increased—and the value of all money is reduced.

It is well to remember that continued government deficits cause inflation; inflation is used as an excuse for ineffective price controls; price controls lead to shortages; artificial shortages inevitably are used as an excuse to implement rationing. When will we learn these basic economic principles? May I repeat these simple economic facts.

The Prophet Isaiah wrote: "Therefore my people are gone into captivity, because they have no knowledge." (Isaiah 5:13.)

It is quite obvious that a lack of knowledge and understanding on the part of Americans regarding the causes of inflation, which threaten our economic survival, could well lead us into captivity.

John Maynard Keynes, the Fabian Socialist, who sold President Franklin D. Roose-

velt on the damnable deficit spending theory, had this to say about inflation:

"Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens . . ."

Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency.

"The process engages all the hidden forces of economic law on the side of destruction and does it in a manner which not one man in a million is able to diagnose." ("Economic Consequences of the Peace," pp. 235, 236 (1920).)

It is interesting to note that Vladimir Lenin praised Keynes before the Second Congress of the Communist International as being "more striking and more instructive" than any of his homegrown Communist revolutionaries.

In 1973, you'll remember, the government imposed controls on food prices. Housewives were buying goods at the controlled prices. But costs to farmers and growers were still rising due to inflation. They just could not continue to provide food at the frozen prices. So what happened? There was a shortage of those products in the markets. We can see, then, that controls which purportedly set out to neutralize inflation only end up discouraging production. Consequently, there is less of the product available in the markets.

Americans could halt inflation today by demanding that their government stop increasing the supply of money. It is not that the government does not know how to do it—it doesn't want to do it. Their excuse is that if they stop printing money, they will plunge the nation into a recession—or worse—a depression precipitating an unacceptable percentage of unemployment. But the longer we delay sound action, the more it will cost our nation and its people.

Unfortunately, the average American knows very little about the complexities of economics. He leaves that to the "expertise" of those in government. The tragedy is that the political spendthrifts in government are the ones who are wrecking our economy. They are spending billions of dollars on useless domestic programs, and squandering billions more in support of Communist governments that are getting "most favored nation" treatment.

The Congress has failed us abysmally in its historic role as watchdog over our national interests. They could and should put the clamps on irresponsible government spending. Unhappily, when a government embarks on a course of inflation, it must accelerate that inflation in order to perpetuate the false stimulating effect.

If the government were genuinely concerned about full employment and real prosperity, it could do much in bringing it about. It could support the proven and successful free market system—the law of supply and demand—where the buying public and not the government is the deciding factor in what shall be produced and marketed. The bureaucrats ignore the lessons of American history—that freedom works, and that the ability of individuals to come to mutually beneficial agreements is the very essence of a free society.

There is no problem at all about how to stop inflation. The problem is not economic, it's political!

The government is manipulating our monetary system. And unless we return to fiscal responsibility we can look forward to a highly dangerous economic crisis. One step in the right direction, as I wrote in 1973,

would be a return to the gold and silver standard. One big advantage in using gold as a medium of exchange is that the people cannot be fooled as regards devaluation. But paper money can always be manipulated.

This is why the foreign markets are buying gold and its value is escalating at astronomical rates. America relies greatly on foreign oil. Investors abroad understand better than do most Americans that the American government will print more paper dollars to cover the costs of our energy needs. They realize that we pay with a devalued currency, so they turn to gold which only further devalues the American dollar abroad.

Our original monetary system as established by the Founding Fathers, the only one authorized by the Constitution, makes this imperative by the following clause: "No state shall . . . make anything but gold and silver coin a tender in payment of debts." (Art. I, Sec. 10)

If we are to beat inflation effectively, there are four vital steps to be taken:

1. Abolish any consideration of wage and price controls permanently.
2. Stop all spending in excess of tax receipts and make annual payments on the debt.
3. Abrogate all extravagant and unnecessary government programs.
4. Re-establish the gold and silver standard.

The Congress has the power and the responsibility to accomplish these measures. If our representatives and senators persist in shirking their duties in this regard we'll continue on the same course to economic disaster. And we'll end up with a controlled economy under a more regimented form of government.

"Our spiraling national debt is but one of the danger signs, and is indicative of the culpable negligence of those in the highest echelons of government." (From National Program Letter article by Dr. George S. Benson of Searcy, Arkansas, entitled, "Can the Government Go Bankrupt?")

Thomas Jefferson counseled: "To preserve our independence, we must not let our rulers load us with perpetual debt. We must take our choice between economy and liberty, or profusion and servitude." Indeed, paying our debts, or living within our means, was always one of the sterling characteristics of Americans. We looked upon it as a duty to ourselves as individuals and as children of God.

Never was a nation so blessed with productivity. Whence comes this astounding capacity to produce? I am deeply convinced that it lies in blessings of our Heavenly Father and in the untrammelled initiative, enterprise, and freedom of our people, in the fact that the success or failure of our nation rests primarily with the people. But, in the past half century there has been a tremendous shift from individual to governmental responsibility in too many phases of economic and social life.

There is a continuing and ominous transfer of responsibility from the states to the Federal Government. Today, we look to Washington as the provider of whatever is needful—at no cost to ourselves. If this trend continues, the states may be left hollow shells, operating primarily as field districts of impersonal federal departments.

In government, as in all organizations, it is a firm principle that the smallest or lowest level that can possibly undertake the task is the one that should do so. First the community or city; if the city cannot handle it, then the county. Next, the state; and only if no smaller unit can possibly do the job should the Federal Government be considered. The smaller the unit and the closer it is to the people, the easier it is to guide it,

to correct it, to keep it solvent, and to keep our freedom.

The deceptive, unsound system of so-called "transfer payments" is an absolute fraud. The so-called "transfer funds" come from the people back home, not from the federal government.

The tax dollar cannot make a round trip to Washington without a sizeable bureaucratic bite being taken out of it.

Transfer payments are used as clubs over the heads of taxpayers to force compliance with useless, unconstitutional, unsound programs.

Transfer payments are economically, socially and spiritually unsound. When will we have leaders at the state level who have the vision to recognize this fraud and the courage to stop this colossal deception? ●

LELAND ANNOUNCES GOOD HEALTH WEEK

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LELAND. Mr. Speaker, the Houston Council on Human Relations is sponsoring "Good Health Week" in Houston, Tex. April 20 to 26. This effort is a first for Houston, and I am hopeful that it will be a great success.

The goal of the council is to promote healthier lifestyles and increase awareness in personal health care. The Houston-Galveston Area Council Health Systems Agency is a federally funded health planning organization for 13 gulf coast area counties. "Good Health Week" is being organized in conjunction with over 100 area business, civic, professional, and governmental organizations. The week's activities include public forums, workshops, screening tests, prevention activities, medical facility tours, and a regional health fair and banquet.

The good health fair is free to the public and will be held on Saturday, April 26 from 10 a.m. until 5 p.m. at the Albert Thomas Convention Center. The good health banquet, which is also open to the public, will be held on Saturday, April 26 at 7:30 p.m. at the Sheraton-Houston Hotel. The guest speaker for the banquet is Frank Reissmen, Ph. D., editor of Social Policy, a magazine concerned with current social, educational, economic, and political problems, and co-director of the National Self-Help Clearinghouse.

I hope many of my constituents will participate in this worthwhile project and I commend the Houston Council on Human Relations and the Houston-Galveston Area Council Health Systems Agency for their outstanding contributions to the health care system in my district. ●

TAX CREDIT TO REDUCE THE MARRIAGE PENALTY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. PATTEN. Mr. Speaker, as Lewis Carroll's walrus so proudly exclaimed, "The time has come." With the passing of April 15, the time has come for the Congress and the administration to think seriously about the marriage penalty which for another year has pervaded our Tax Code. It is incumbent upon this body to act affirmatively on the marriage penalty before the adjournment of the 96th Congress.

While it is clear that we must act, Congress should be certain to remedy this problem in the most equitable manner possible. There are many variables to consider and there is truly no easy solution. However, I believe that the use of a tax credit would be the fairest method to help remedy the marriage penalty. As a result, I have introduced H.R. 6798, the Marriage Penalty Offset Tax Credit Act of 1980.

The following is a brief summary of the marriage penalty crisis and an explanation of how H.R. 6798 would ease some of the harsher effects of that penalty. I trust that when dealing with this issue, my colleagues will look closely at the use of a tax credit and H.R. 6798 which incorporates the tax credit as an integral part in remedying the marriage penalty.

THE MARRIAGE PENALTY OFFSET TAX CREDIT ACT OF 1980

I am appreciative of the opportunity to address your Committee today. My purpose is to discuss the Marriage Penalty in the Internal Revenue Code, and in specific, the use of a tax credit to remedy this problem.

The present structure of the Internal Revenue Code of 1954 provides a substantial subsidy to married one-paycheck couples, at the expense of married two-paycheck couples. More specifically, the Marriage Penalty generally occurs when neither spouse earns greater than 80 percent of the combined family income.

This penalty is extremely harsh. Many couples are assessed hundreds, and sometimes thousands of dollars in taxes, merely because they fall within the two-paycheck penalty bracket. We know that 19 million couples are affected by the Marriage Penalty each year. The IRS estimates that the penalty amounts to \$11 billion annually.

The tax rates within the Internal Revenue Code have had a checkered history. However, it is fair to say that although Congress did not create the current rates with a discriminatory intent, the present code has been systematically discriminating against lower and middle income families, the institution of marriage, and the equal rights of women. Recognizing the situation as it stands, we have a duty to act affirmatively. We can no longer sit back idly, perpetuating the discriminatory nature of our tax code. To that extent, I must commend you Mr. Chairman, and all of the members of this Committee, for holding hearings today and taking the first step in what undoubtedly will be a long and arduous task of remedying the Marriage Penalty.

The following are brief examples of some of the Marriage Penalty's most blatant discriminatory effects:

1. LOWER AND MIDDLE INCOME COUPLES

What is most intolerable about the Marriage Penalty, is that it primarily discriminates against lower and middle income families. Couples with a combined income within the ranges of \$5,000 to \$50,000 bear 99 percent of the Marriage Penalty. It is estimated that in 1974, less than 1 percent of the couples paying the penalty had a combined income in excess of \$50,000.

It is sad to note that those primarily affected by the Marriage Penalty are least able to bear its burden. These lower and middle income couples are the same families who are presently being most crippled by double-digit inflation, double-digit interest rates, and soon to follow I fear, double-digit unemployment. We need not add insult to injury by making these couples continue to pay more than their fair share of taxes.

2. THE INSTITUTION OF MARRIAGE

There is much evidence to suggest that the weakening of the family unit is eroding the basic fiber of our society. I was raised as a traditionalist, so I believe firmly in the institution of marriage. As a personal aside, I note that this year marks the 45th anniversary of my own marriage.

Whether or not you believe as I do in this sacred institution, I think you will agree that at the very least, the American people deserve a tax system which harbors no prejudice for or against the institution of marriage. Unfortunately, the present Internal Revenue Code offers the American people less than they deserve with respect to this issue.

As Commissioner Kurtz has witnessed through litigation, the Marriage Penalty is forcing many couples to resort to quickie divorces for tax purposes. These couples remarry and subsequently divorce again before the next tax year emerges. The number of married couples who have been forced to take this route represents only the "tip of the iceberg." We can never begin to estimate those who have opted in favor of non-marital cohabitation, solely because of a tax system which discriminates against marriage.

3. EQUALITY FOR WOMEN

Nor has the Marriage Penalty been a friend of the women's movement. In short, the penalty is repugnant to modern social reality and to the equal rights of women. Since first coming to Congress, I have witnessed the number of married women in the work force triple. Unfortunately, some of these married women were forced to enter the job market due to economic necessity. It is a somber fact that under present economic circumstance, it takes two paychecks to maintain a family. Yet, despite our sad state of economic affairs, many married women have entered the work force in realization of the new opportunities afforded them through changes in the law and enlightened thinking. For these women, the Marriage Penalty serves as a major obstacle toward reaching their full potential.

The Marriage Penalty tells women, "it will be cheaper for you to remain in the home as a housewife, than to enter the active labor force and explore a career in any of the ever expanding number of job opportunities." It would truly be ironic for a government on one hand to give women the legal right to be all they can be, while at the same time perpetuating economic disincentives to discourage women from exercising their newly won rights.

Congress cannot be oblivious to the increasing number of married women in the work force. Nor can we ignore the chilling

effect the Marriage Penalty has had on this nation's goal of achieving equality for women.

There is no secret to eradicating the Marriage Penalty from the Internal Revenue Code. Creating one tax rate schedule for both married and single persons would permanently end this controversy. The IRS claims that the cost of eliminating the penalty would be \$11 billion. I support proposals which would eliminate the Marriage Penalty. However, I have been in these hallowed halls too long to know that this Congress is not prepared to bear the \$11 billion price tag of this proposal.

Mr. Chairman, most of us in this room have spent nearly a decade trying to remedy the Marriage Penalty problem. To this date, we have failed to attract sufficient support from our colleagues to move this issue beyond square one. I find that especially in a year when the President is asking us to balance the budget, a permanent solution to the problem of the Marriage Penalty is not politically feasible.

Despite the fact that it is impractical to think that Congress can eliminate an \$11 billion Marriage Penalty in one year, there are 38 million Americans desperately in need of some form of immediate relief. Recognizing the major symptoms of the Marriage Penalty, I have introduced H.R. 6798, the Marriage Penalty Offset Tax Credit Act of 1980.

Let me preface my discussion of H.R. 6798 by emphasizing that my bill does not purport to be the definitive answer to the Marriage Penalty problem. However, I believe that especially through the use of the Tax Credit, H.R. 6798 can serve to eliminate a substantial portion of the penalty, especially among lower and middle income couples, at a cost which is fiscally responsible.

TAX CREDITS AND EQUITY

I have seen many proposals dealing with the Marriage Penalty. As I recall, most of these proposals would use a deduction to help offset the Marriage Penalty. I am an ardent supporter of Tax Credits as opposed to deductions, and my bill relies firmly on the concept of using the Tax Credit to help remedy the Marriage Penalty.

Unlike itemized deductions, Tax Credits are available to all eligible married couples, regardless of whether they file the long or short form with the IRS. Moreover, where deductions provide a greater benefit for persons in higher income brackets, a Tax Credit provides a dollar for dollar deduction against tax owed, without discriminating on the basis of income. As a matter of equity, it makes far more sense to combat the Marriage Penalty with a Tax Credit.

ELIGIBILITY

Mr. Chairman, I have seen some proposals which would provide all married couples with a deduction or credit to remedy the Marriage Penalty. However, these proposals are excessive.

Whenever one spouse earns greater than 80 percent of the total earned income of the husband and wife, the Marriage Penalty dissipates. In fact, these one-paycheck families presently enjoy a Marriage Benefit under the Internal Revenue Code. If our aim is to offset the Marriage Penalty at a cost affordable to this Congress, we cannot provide those couples presently receiving a Marriage Benefit with additional deductions or credits.

H.R. 6798 provides for a Tax Credit equal to 10 percent of the earned income of the Secondary Wage Earner (i.e. the spouse earning 50 percent or less of the couple's combined earned income). The maximum credit allowable is \$500 and the credit is non-refundable. In order to make H.R. 6798 as lean and efficient as possible, I have for-

mulated the Marriage Penalty Offset Tax Credit to only trigger when couples are actually faced with a Marriage Penalty.

Under the Marriage Penalty Offset Tax Credit Act of 1980, a married couple would only be eligible for a 10-percent tax credit when the Secondary Wage Earner earns 30 percent or more of the combined earned income of the husband and wife. The 10-percent tax credit shall be reduced by one percent for every percent the Secondary Wage Earner earns less than 30 percent of the couple's combined earned income.

As you can see from the eligibility table, my Tax Credit would dissipate with the Marriage Penalty. There is no Tax Credit for couples where one spouse earns 80 percent or more of the combined income of the husband and wife (i.e. one-paycheck families).

ELIGIBILITY TABLE FOR THE MARRIAGE PENALTY OFFSET TAX CREDIT ACT OF 1980

Secondary wage earner's percentage of earned income	Tax credit percentage
50 to 30	10
29	9
28	8
27	7
26	6
25	5
24	4
23	3
22	2
21	1
20 to 0	0

ADDITIONAL CONSIDERATIONS

1. Earned Income under H.R. 6798, is the same as defined under I.R.C. § 43(c)(2).

2. Only one spouse shall be treated as the Secondary Wage Earner, even when both husband and wife each earn 50 percent of their combined earned income.

3. The Tax Credit is only allowable where married couples file a Joint Return under I.R.C. § 6013.

EFFECT

I am especially pleased with the results indicating that H.R. 6798 would have its primary impact upon married couples filing joint returns in the \$5,000 to \$50,000 ranges of income. As stated earlier, these taxpayers are most in need of immediate relief. While my bill would not eliminate the entire Marriage Penalty, it would provide eligible lower and middle income couples with genuine assistance until such time as the Congress is able to completely eliminate the Marriage Penalty.

Earlier in the year, the IRS conducted a revenue study on several of my proposals to remedy the Marriage Penalty. Their results indicated that a bill similar to H.R. 6798 would cost about \$5.5 billion. Since that study, I have incorporated several refinements in my proposal which leads me to believe that H.R. 6798 may cost substantially less than projected by the IRS. Chief among those refinements was basing eligibility on earned income percentages, instead of gross income.

In order to receive a more accurate projection of the cost of H.R. 6798, I have commissioned the Joint Committee on Taxation to conduct a revenue study on the Marriage Penalty Offset Tax Credit Act of 1980. I am confident that my proposal will cost the Treasury less than \$5 billion.

As an additional note on cost, I must emphasize one point, Mr. Chairman. Our actions here today should not be construed by our fellow members or the White House, as providing eligible married couples with a tax cut. That issue has become a matter of partisan debate and presidential politics. Rather, what we are doing today is simply eliminating the injustice of over-taxation

which has been wrongfully imposed upon 38 million Americans for almost one decade.

CONCLUSION

Mr. Chairman, while I have spoken unwaveringly in support of H.R. 6798, I must pay deference to the expertise of yourself and this Committee.

I do know, for example, that there will be instances in which the Marriage Penalty Offset Tax Credit will not only remedy the Marriage Penalty, but occasionally overcorrect the inequity. Also, this Committee may develop an opinion on whether or not the Marriage Penalty Offset Tax Credit should be non-refundable. But collateral issues aside, I hope that I may impress upon this Committee the importance of adopting the Tax Credit as a means to offset a substantial portion of the Marriage Penalty.

We are going to hear many proposals today, from many able men and women who are genuinely concerned about the lower and middle income married persons who are in such desperate need. I can only hope that when this Committee concludes its work, it will see fit to incorporate the concept of the Tax Credit and the provisions of the Marriage Penalty Offset Tax Credit Act of 1980, as a viable legislative program to help the working married couple. ●

WHY CODDLE CASTRO?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. McDONALD. Mr. Speaker, the general problem of Cuban aggression and subversion in the Western Hemisphere continues to be swept under the rug by the Carter administration while it runs around lobbying various Olympic officials on the matter of the summer games boycott. And if that is not diversion enough there is a press conference called to announce some fancied softening in the attitude of Iran on the hostages. How much longer is Cuban aggression to be ignored Mr. President? The Richmond Times-Dispatch summed up this situation very well in an editorial of April 16, 1980, which I include in the RECORD at this point for the edification of my colleagues:

WHY CODDLE CASTRO?

As the recent surge of refugees into Havana's Peruvian embassy demonstrated so dramatically, Fidel Castro has been far more successful at exporting Marxist revolution than at making its social and economic policies provide even fundamental welfare benefits to the Cuban people. Given the glaring domestic weaknesses of the Castro regime, the American government's limp reactions to recent Cuban acts of international provocation and adventurism must be seen as all the more deplorable. Here are a few of the questions we would pose to the Carter administration in light of late events in Cuba:

Knowing as it must have for a long while about Cuba's calamitous economic conditions, why has the administration so meekly accepted the presence of Soviet combat troops to shore up Mr. Castro's effete regime?

Why, too, given Cuba's internal conditions, has the U.S. offered precious little effective resistance to the Marxist revolutions the Castroites have been exporting to several southern African nations and to Nicaragua

and El Salvador in our own hemisphere?

Is the Carter administration sincere in its loudly bruted declarations of commitment to human rights and liberty in other nations? Recently Mr. Carter's Federal Communications Commission pressured a Florida-based radio station into lowering its wattage, thereby effectively curtailing its anti-communist broadcasts across the waters to Cuba. Why is the administration not taking exactly the opposite tack and establishing, as our columnist Cord Meyer suggested March 28, a Radio Free Cuba that would launch "a more aggressive, imaginative, sophisticated and serious information offensive"?

Finally, why is our government apparently cowed by Cuba's arrant piracy against American citizens? In January we publicized the plight of three American mariners led by William Dawson, the brother of a Richmonder. The three now have been held in Cuban prison since last July on drug charges that the State Department knows were fabricated. Why has the Carter administration applied no leverage to gain freedom for these and an estimated score of other innocent American captives in Cuba?

The Castro regime's campaign of international lawlessness has drawn only pious and punchless reprimands from President Jimmy Carter. The fresh evidence of Cuba's weakness and corruption makes all the more compelling the case for stronger action against Castro. ●

IN APPRECIATION FOR PATRIOTIC EFFORTS—CHARLES P. VITUNAC

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MICA. Mr. Speaker, it gives me great pleasure to share with my colleagues the actions of Charles Vitunac. On December 22, 1979, I had the privilege of accepting a petition signed by more than 17,000 Palm Beach County residents demanding the immediate and safe release of the American hostages in Tehran.

This petition, a statement of support for the hostages, was organized under the patriotic guidance and sincere concern of Charles Vitunac, a Palm Beach County attorney.

This petition was subsequently hand delivered to and accepted by Iranian representatives at the Embassy of Iran in Washington, D.C. The Embassy later notified my office that it had transferred the petition to Iran.

The 11th Congressional District of Florida is certainly appreciative of the spearheading efforts demonstrated under the community leadership of Charles Vitunac. ●

FORGIVE AND FORGET

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. YATRON. Mr. Speaker, I wish to bring to the attention of this honor-

able body an article which appeared in several newspapers across the country as well as in Europe. The article is entitled, "NATO's Message to Cyprus Remains 'Forgive and Forget'." The article was written by Dr. Achilles N. Sakellariades.

The Atlantic Council of the United States, a branch of NATO, has recently issued a policy paper on "Security in the Eastern Mediterranean: Rethinking American Policy." Dr. Sakellariades, a retired State Department official, who last year represented the United States at the Geneva Conference on Human Rights, has addressed a critical rebuttal to the Council.

The text of the article is as follows:

NATO'S MESSAGE TO CYPRUS REMAINS "FORGIVE AND FORGET"

I found the Atlantic Council's paper on "Security in the Eastern Mediterranean" rather disappointing and unworthy of the Council's formidable and highly respected board of directors and honorary directors. In both its attempt at analysis and recommendations, the paper seems to confuse cause and effect and arrives at dismally erroneous conclusions and recommendations, favoring Turkey across the board. Voicing the standard views of Luns, Haig and Henry Kissinger was not what was expected from the organ of an august, prestigious and independent organization such as the Atlantic Council of the United States.

THE REAL REASONS FOR NATO'S DISINTEGRATION

It is as a result of such pro-Turkish and anti-Greek policies of Dr. Kissinger's State Department that NATO is disintegrating in its Southeastern flank. Dr. Kissinger, who wrote books about the worst enemy of Greece, the Austrian Chancellor Metternich, and greatly admired him, may argue that he was serving America's national interest when he chose to tilt in favor of Turkey, as that country was about to commit a blatant act of aggression against the Island Republic of Cyprus, a defenseless member of the community of nations, making illegal use of American arms and ammunition. By any stretch of the imagination, such a partisan attitude of an American Secretary of State could not be conceived as serving the cause of peace or the American national interest. Having secured assurances that the Sixth American Fleet, a principal naval arm of NATO, would be out of the way (in sharp contrast to what occurred in 1964, during President Johnson's Administration) the Turkish officials from the President down, marched to the ports of embarkation, as if they were going to a picnic, to see their troops embarking for the invasion of Cyprus.

LUNS AND HAIG'S REPREENSIBLE POLICIES

As the Turks attacked Cyprus, the Greeks appealed to NATO's Secretary General Luns for help. Luns' instructions, it appears, were to reply that he was sorry, but "he was about to take a vacation, and could not be bothered." This was NATO's cynical reply to the Greek appeal. Luns and Haig continued to pursue the same anti-Greek policies. Haig's attitude is not surprising. He was Kissinger's sidekick at the National Security Council and later, President Ford's righthand man. As long as these two men controlled NATO, the Greeks felt, and rightly so, that the cards would always be stacked against them.

THE LIFTING OF THE EMBARGO

These two gentlemen had been pressing President Carter and Secretary of Defense (Harold) Brown to lift the arms embargo

against Turkey, (imposed by the U.S. after the invasion of Cyprus), advancing all sorts of spurious and illogical arguments. The fact that \$600 million in aid had gone to Turkey since the embargo, had in no way induced the Turks to make concessions on Cyprus. Lifting the embargo (in 1979) made no difference in that respect. It has only deprived us of the only language we had to correct the intolerable situation created by the brutal Turkish aggression.

TURKEY'S ISOLATION

The Council's rapporteur, Joseph J. Wolf, has pointed out that Turkey feels increasingly that it is abandoned by its allies, that it is isolated. Of course it is isolated. Its blatant act of aggression against a defenseless member of the community of nations cannot be tolerated. American or world public opinion cannot be deceived by specious arguments that the Turkish aggression was made in order to protect the rights of the small Turkish minority in Cyprus, or to prevent the Island Republic's annexation by Greece. What the world saw was an act of aggression aiming at the destruction of the overwhelming Greek majority in Cyprus. One wonders if there is any place in the world where there is not a minority. There are minorities in every country. We have minorities in our own country. Well, are the majorities to be destroyed in order to be replaced by minorities?

THE MORAL FORCE OF WORLD PUBLIC OPINION

Such colossal injustices cannot be lost to world public opinion. The moral force of world public opinion cannot be overestimated. It acts as the collective conscience of mankind. The United Nations has repeatedly demonstrated its capacity to rally world public opinion against the use of force. It has passed unanimous resolutions condemning Turkish aggression. Small wonder then that Turkey today stands isolated on the Cyprus issue. And, I submit, the United States also stood isolated on the Cyprus issue during the Kissinger-Ford-Nixon days. And what is very significant, we have yet to hear one single word from President Ford or Nixon condemning the Turkish act of aggression. Such a scandalous silence, of course, is a patent disservice to the cause of peace as well as to the American national interest.

GREECE'S HONORABLE HISTORICAL RECORD

It ill behooves the free world to forget or ignore the historic fact that Greece was the first country to explore the myth of Axis invincibility, when early in World War II, the gallant Greeks defeated Mussolini's vaunted legions, and that it was Greece's resistance to Hitler that made it necessary for the Nazis to lose three months of good weather fighting. The postponement of the attack on Russia and the subsequent advent of the severe Russian winter spelled Hitler's downfall. As is well known, because of this historic circumstance, Greece's heroic resistance, while Turkey sat on the fence of neutrality, waiting to see which side would win, Hitler punished Greece with the most inhuman starvation ever recorded in history.

Judging from history, it is widely believed that, in any confrontation with Russia, the Turks will not fight. This seems to be the safest bet one could make, and most experts agree on this. It is also widely believed that the only reason why the Turks want arms and ammunition from us is to threaten Greece and try to grab some Greek islands, and, if possible, to take the remainder of Cyprus. That is the only goal and *raison d'être* of the Turkish Aegean army in Smyrna.

TURKISH ATROCITIES CONDEMNED

The Greeks and Greek-Americans resent the shabby treatment accorded to them by

some allies who tend to ignore the atrocities inflicted on their fellow nationals and co-religionists in the unfortunate island of Aphrodite. It is a sad commentary on our times that these atrocious abominations were perpetrated by the grace of and before the eyes of agents of NATO and the United Nations.

EFFORTS TO SUPPRESS REPORTS

Great efforts have been made by interested parties to suppress reports of such abominations and let the world forget the plight of two hundred thousand refugees who have been forced to abandon their homes and properties. A special issue of the London "Times" however, as well as European Community reports, have given full details of these Turkish depredations, and are available for all men of good conscience to read and make a judgment. Considerations of morality and humanitarianism have not even entered the mind of Mr. Wolf in preparing the Council Report. Nor is the Rapporteur concerned about the continuing importation of Turks from the mainland in order to change the demographic character of the stricken Island Republic.

NATO'S ADMONITION TO FORGIVE AND FORGET

The U.S. Atlantic Council Rapporteur now urges us to forgive and forget. He pointed out that the Caramanlis-Ecevit talks last March at Montreux "afforded the foundation of a new climate of détente between these two neighboring states." He seems to be oblivious to the fact that the meeting was hardly terminated when both of these leaders emphatically stated that absolutely nothing was accomplished and there was no hope of a solution based on Ecevit's offer to return a ridiculously small portion of the land grabbed from the Cypriots. As reported, the President of the Cyprus, Spyros Kyriakou, has rejected outright the Turkish plan which "only spelled suicide for Cyprus." We all agree that Greek-Turkish relations eventually must be improved. But how can they be improved as long as Turkey, unrepentant and defiant, insists on forcing the acceptance of "faits accomplis?" The Rapporteur urges us to forgive the Turks for having violated American law by using American arms and ammunition for aggressive purposes. "It is time to move on," he wrote. We agree that we must move on. But first the grave injustices that have been created by the Turkish aggression must be rectified.

THE REAL REASONS WHY TURKEY IS BANKRUPT

Turkey is totally bankrupt, being pressed by international creditors urgently to repay some \$40 billion. The bankruptcy was not caused by the embargo, as the NATO Council report erroneously suggested. It resulted from the utter Turkish incompetence in handling their own economic affairs, general backwardness and illiteracy, as well as by the expenses incurred by their occupation forces in Cyprus. As for the 18 percent Turkish minority in Cyprus, it had never contributed more than one percent of the island Republic's gross national product. Turkey's cure for internal poverty and instability seems to be aggressive adventurism and unacceptable expansionism. Bellicose postures and aggressive acts are often an effective antidote for abysmal internal conditions.

IF TURKEY TURNS TO RUSSIA

In view of Turkey's economic bankruptcy and other considerations, no credibility should be attached to threats that Turkey may turn to Russia. The Turks will always need (American) economic help and military spare parts. Therefore, we should call their bluff. Playing off one "great power" against another is the well-known Turkish game. Demirel (the Turkish Prime Minister) should be told in no uncertain terms that

the times of aggression belong to the dim past. That the Turks should heed the repeated UN resolutions and withdraw their troops from Cyprus, keeping not more than 18 percent of the island's territory—a percentage commensurate to the Turkish population. International guarantees of the Turkish minority's rights should be more than sufficient and satisfactory.

THE NEED TO PATCH UP NATO

Then we can all proceed to patch up NATO and help it reaffirm its noble aims about human rights, cultural exchanges, international security and peace with freedom and justice. As a former State Department officer, I firmly believe in the beneficent and salutary mission of NATO. I was there when it was formed in 1948, and have written and lectured widely on its history and its goals. It is advisable, of course, that Turkey should be in NATO for whatever it is worth. Secretary Luns must be told, however, that his direction of NATO has been reprehensible from many points of view. As for General Haig, it is comforting to know that he has been replaced and sent to pasture, to join his mentors, Dr. Kissinger and Presidents Ford and Nixon. He certainly had abused his powers in a very partisan and shortsighted way.

NATIONAL LIBRARY WEEK: A REMINDER THAT THE CHEAPEST CHARGE CARD IS STILL IN YOUR WALLET

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BIAGGI. Mr. Speaker, in recognition of National Library Week, I wish to bring to the attention of my colleagues some of the vital, and often little-known services which are provided by our local public libraries. To be eligible for these many services, you only need to carry what is still the cheapest charge card around in these days of rising finance charges and interest rates: your library card.

The recently completed White House Conference on Library and Information Services highlighted the many assets of libraries, including informational as well as recreational sources for the general public. As New York's ranking member on the Post-secondary Education Subcommittee which held hearings at this conference, I remain committed to insuring that these library services remain accessible to the public at large, particularly in my own city of New York.

The New York Public Library System, like the rest of our public library systems across the Nation, provides numerous benefits and services including special reading services for the blind and disabled, reference information upon request on hundreds of topics, special collections on local history, meeting rooms, films and paintings to borrow, and even free exposure to local artists and craftspeople through display cases.

I am particularly interested in expanding the informational services of our Nation's libraries for local citizens, particularly for those students who

rely heavily upon their local library for a variety of informational services. Recent developments in computer technology have provided an important new dimension in the ways Americans can retrieve information and our libraries should be looking to these new technologies as a way to provide better service to their communities.

As an original cosponsor of H.R. 5192, the Higher Education Amendments of 1980, which was overwhelmingly approved by the House by a vote of 385 to 15 last November, we recognized the need to increase informational services to adults. My bill, H.R. 3513, providing for student financial aid data banks, was incorporated into title I of this bill which provides for grants to develop or expand existing educational information services to adults who have faced barriers to post-secondary education in the past. Libraries, which already have extensive informational services in place, could become important partners in this Federal effort to assist our nontraditional student population.

During this National Library Week, I strongly urge you to inform the citizens of your community of the new personality which their library has assumed—as book lender, advice giver, community resource, and entertainer. The library card, as the key to these services, is the only credit card which probably will not be lowering your credit limit today. At a time when we hear much about the grim economic outlook we are facing, it is good to know that the library is still one of the best bargains in town.●

FARM CREDIT IS NO SUBSTITUTE FOR FAIR PRICES

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. TAUKE. Mr. Speaker, I was pleased that the Federal Reserve Board last Thursday finally reacted to the grave economic problems facing the agricultural community. The Board, for the first time, responded to the farm credit crunch by making up to \$3 billion available to small banks so they may offer loans to farmers and small businesses.

The Board's action will provide partial relief. However, loans in and of themselves are not a total remedy to the serious problems facing farmers today. Credit is no substitute for fair prices.

The farm sector of our economy has been promised much by the administration. But the record shows that few, if any, of the pledges made are ever carried out. Instead, the administration seems content to allow the farmer to shoulder much of the burden of our current economic woes and bear the brunt of the ill-advised Soviet grain embargo.

Production costs for the average Iowa farmer are estimated to run as much as 25 to 40 percent higher this year than in 1979. Farm income, however, will remain the same or decline. The reason is simple: Prices being paid for our farm commodities are severely depressed.

On the average, Iowa farmers are losing \$1 for every bushel of soybeans they produce. Every bushel of corn sold is selling for 50 cents less than what it costs to produce. Livestock prices are about half what they were 1 year ago.

Farmers, as small businessmen, have been the first hit by the economic policies being implemented by the administration, and for the most part, endorsed by Congress. Farmers will continue to be hurt harder and longer than any other segment of our economy unless the cheap food policies of the administration are abolished.

Mr. Speaker, I would like to share with my colleagues two articles which appeared in the Cedar Rapids (Iowa) Gazette which graphically illustrate the plight of the American farmer. Gazette Farm Editor Al Swegle explains just how capital-intensive the farming industry is and the troubles farmers have in making ends meet during these highly inflationary times.

I hope my colleagues from nonrural areas of our country can better understand and appreciate the damage being done to the farm sector by the cheap food policies of the administration.

The articles follow:

FARM BUREAU LEADERS TELL WOES

WEST DES MOINES.—County Farm Bureau leaders, meeting here in emergency session Monday afternoon, said farmers are caught in a vise between low commodity prices and high interest rates.

Reports on the farm credit situation were given from state directors from all sections of Iowa. And before the three-hour meeting ended, they told a tale of woe on the farm.

Arnold Lenth of Garnaville, the northeast Iowa director, said 40-pound feeder pigs are selling for \$21 to \$25 each. A year ago the same hogs were selling for \$50.

"So far, boar and gilt sales aren't down as much," Lenth said.

Lenth said banks in his area are charging 15 percent to 18 percent interest on 30-day loans.

"One bank in our area has run out of money for operating loans," Lenth said, adding that the Farmers Home Administration has cut off loans, too.

Some have dropped their crop leases. One county in Lenth's district had three foreclosures.

"Machinery prices are way down, and repossession of machinery is way up," Lenth said.

Stan Holton of Forest City, the north central director, said money is generally available in his area of the state "if farmers are willing to pay the high rate of interest."

Holton told of one bank that posted a sign in its window: "If you pay over \$100 an acre rent, don't come in here."

Darrell Siebens of Akron, the northwest Iowa director, said one auction in Palo Alto County was called off because the highest bid on the land was for \$2,000 per acre.

Bob Joslin of Clarence, state vice president, chaired the discussion group for west

central Iowa, where county presidents reported one foreclosure sale and one Farmers Home Administration sale.

Farm leaders in that district were opposed to a voluntary non-paid land diversion program, he said.

Lisle Cook of Hubbard, the central Iowa director, said a number of cash rental agreements in his area had been renegotiated for \$15 to \$45 less than had originally been agreed upon.

"Credit is available on a 30-day basis," Cook said. "One bank is writing notes on a weekly basis. One elevator is holding grain for two weeks before farmers get their checks. Farm auctions are going at 50 cents on the dollar."

Cook said unemployment is a big problem. One farmer advertised for a hired man in the Sunday newspaper and received 18 applicants for the post.

Charlotte Mohr of Eldridge, state women's chairman, reported for the east central Iowa district.

"Cash rent is going for \$90 to \$130 in east central Iowa," Mohr said. "Farmers on a cash rental basis must pay 50 percent of the cash rent on March 1 and the rest Oct. 1."

Mohr said land is being sold at \$1,000 an acre less than what it had been. Some machinery dealers are requiring customers to pay cash.

Clark Yeager of Ottumwa, the southeast Iowa director, said land is down \$300 to \$400 an acre. One farm sold for \$1,000 off its list price at \$3,400 an acre, Yeager said.

"Some retailers are giving farmers a 5 percent discount if they pay cash for products," Yeager said.

Jay Mosher of Indianola, the south central Iowa director, told of one man turned down for credit even though he had nothing borrowed. Capital for buildings is impossible to get from banks, Mosher added.

"There are few farm sales today, because not much is selling," Mosher said. "Some farmers are saying that this year will make the drought of 1977 look mighty good."

Collins Bower of Massena, the director for southwest Iowa, said farmers are being asked to sell what grain they have before banks will make loans on their property.

"One landlord in our area rented his farm for the third time in 1980," Bower said. "Machinery sales are down 20 percent."

The meeting was called by Dean Kleckner of Rudd, state Farm Bureau president, who said he wasn't surprised by the reports he heard during the crisis meeting.

HAYES BREATHES EASIER AS LOAN GOES THROUGH

ARLINGTON.—Tom Hayes, 30, like many young farmers in these financially strapped times, has had some troubled moments when his economic situation looked bleak indeed. But today, Hayes is breathing easier.

Last month Hayes was looking for a lender who would let him borrow \$33,000 to plant corn and soybeans on his 340 acre farm this spring.

But his lender, the Farmers Home Administration, temporarily had run out of funds; so had the banks in his area. It appeared he was going to be left high and dry.

Hayes didn't qualify for borrowing money from a cooperative short-term lender, the Production Credit Association, which had over 400 applications from young farmers in similar situations.

"I'm just hoping that my loan with the Farmers Home Administration will come through," Hayes said in a telephone interview early last week. "If it doesn't, I may have to quit making payments on 100 acres I'm buying."

As if his troubles getting operating money weren't enough, Hayes is losing \$10 a hundredweight on each hog he sends to market. And he has 1,400 of them going this year. To add hardship on top of hardship, his hogs just recently were hit by a brief outbreak of bloody scours.

But Hayes is a fighter. He says he can avoid foreclosure.

"I plan to stay on the farm," Hayes said. "If I can't make payments on the 100 acres I'm buying, I'll just go back to renting."

The good news is that Hayes' loan was approved late last week, much to Hayes' relief. Hayes' loan was one of 11 made this month—for a total of \$280,000—by the Farmers Home office in West Union.

His Farmers Home supervisor, Jim Rogers of West Union, says Hayes isn't alone. Rogers said there are plenty of other young farmers looking for capital during this crucial time period.

"Funds are extremely limited right now," Rogers said. "There is a need for more money out in the rural areas."

Another Farmers Home supervisor, Al Kimler at Independence, has made \$1.5 million in loans in the past three weeks under the economic emergency loan program. That \$1.5 million in loans is roughly a tenth of the loans made statewide under the program.

"Farmers Home Administration loans are made on a first come, first served basis," Kimler said.

The Farmers Home Administration's economic emergency loan program was due to expire May 15, but President Carter recently signed a bill extending the program through Sept. 30, 1981. The bill adds another \$2 billion to the program.

Farmers Home officials, like Kimler, are expecting a heavy rush for the emergency funds. Iowa's share of the economic emergency funds totals \$41.7 million. Interest rates on the loans will be raised to 14 percent Monday.

Farmers Home officials can approve loans up to \$400,000 under the program. But under the new law, farmers seeking loans above \$300,000 will face tougher requirements before their applications are approved.

In signing the legislation, President Carter said the funds are to be used primarily to cover operating expenses. "The operating credit that farmers need to plant their spring crops is extremely tight," Carter said.

Last year loans totaling \$141.7 million were approved in Iowa. The peak demand period was March 31 to June 30, when 1,110 loans for \$60.3 million were granted.

State officials expect a similar demand for the loans this year.

To obtain a Farmers Home loan, farmers must be unable to obtain credit elsewhere. There must be a reasonable chance for success in the venture for which the loan is approved. The applicant must be an active, bona fide farmer.

Despite the tight conditions, Kimler and Rogers said they don't know of a farmer yet who has been through foreclosure.

Rogers said one farmer quit farming last year in Fayette County, but he did so voluntarily.

"There was a case in Grundy County, where a farmer gave up a cash lease in Grundy County where cash rent was too high and the farmer had trouble getting operating money," Kimler said.

Despite that one case, Kimler is optimistic: "I think everybody is going to be taken care of this spring, although it will be nip and tuck in some cases." ●

CRITICAL CHOICES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. McDONALD. Mr. Speaker, the truth is that we are all paying more in our electrical bills, due to the delay in constructing and placing on line of nuclear power stations. Conservation will do just so much, and conversion to coal will help in a limited manner. However, the facts are that nuclear power is cheaper than any of them. Further delays will mean more increases in everyone's electric bill. Mr. Charles C. Jones, writing in Rural Living, the magazine of the electric cooperatives in Virginia, for April 1980, had a good message for the readers and users of electricity. I commend it to the attention of my colleagues.

The message follows:

Rural electric cooperative member consumers in Virginia, Maryland and Delaware are paying more now for electricity than they should be paying. This is a difficult statement to make but it is true based on the lack of availability of nuclear power generation to investor-owned utilities that sell power to rural electric cooperatives in our area.

Virginia Electric and Power Company and Delmarva Light and Power Company sell bulk power to electric cooperatives in our three states. Each generating utility has interest in new nuclear generating units that have been waiting for months to be licensed by the federal Nuclear Regulatory Commission. These units not being available with their lower cost fuel expenses have caused the electricity that electric cooperatives utilize to be priced higher than it need be because of fuel cost and other replacement power cost.

Electric cooperatives in Virginia have been required to charge 1.5 cents per kwh of \$15.00 per 1,000 kwh for added cost to replace power during the past winter months that should have been generated by nuclear units of VEPCO. We are deeply concerned about the circumstances that continue to cause this added burden to our member consumers and the general economy of the area we serve.

Across these pages of Rural Living we have continually called for conservation measures by all Americans that will lead to the most efficient use of all forms of Energy. We have called for a national energy policy that will recognize the importance of coal. We have supported research and development alternative energy sources to the maximum extent our national resources can sustain. We continue to pledge strong effort in each of these areas.

Your voice should be heard on the future of nuclear power. Governmental agencies and elected officials at the local, state, and national levels need your views. Critical energy choices are being made now that will have an impact on every citizen's pocketbook and the economic viability of our nation.

The critical choice of today is to reach a decision on the future of nuclear generation of electric power. The welfare of citizens of Virginia, Maryland, and Delaware is at stake along with all Americans. It does make a difference in the monthly budget of rural electric consumers now and into the future as far as we can predict.

Every new technology must find acceptable solutions to difficult questions. Nuclear generation of power has met the challenges of commercial application with an unequalled record of achievement. Given the realistic energy choices of right now and for the next twenty years, expanded reliance on nuclear generation of electricity is a must if the quality of life Americans have known is to be maintained. ●

A BALANCED FEDERAL BUDGET FOR 1981

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ABDNOR. Mr. Speaker, the 55th Legislature of the State of South Dakota recently adopted a concurrent resolution which petitions the Congress of the United States to adopt a balanced Federal budget for fiscal year 1981.

In addition, this resolution identifies several objectives, which if accomplished, would significantly reduce inflation and dramatically improve the overall conditions of our Nation's economy.

The State of South Dakota, under provisions of its constitution, is prohibited from deficit spending and has a long history of sound fiscal management. I would suggest that our Federal Government could realize similar benefits by following such practices and I commend the proposals contained herein to the attention of my colleagues:

H. CON. RES. 1029

A concurrent resolution, petitioning the Congress of the United States to balance the fiscal year 1981 budget as required by section 7 of public law 95-435 and to do so without further tax increases.

Whereas, section 7 of public law 95-435, codified as 31 U.S.C. 27, as enacted by the Ninety-fifth Congress and signed into law by President Carter on October 10, 1978, reads as follows:

"§ 27. Federal budget ceiling

Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts."; and

Whereas, President Carter has submitted a budget for fiscal year 1981 calling for outlays of six hundred fifteen billion eight hundred million dollars and receipts of six hundred billion dollars, and as a result a budget deficit is requested by the administration despite the fact that Congress is preparing the largest tax increase in American history in the form of the so-called "windfall profits" tax; and

Whereas, the budget deficit is requested despite the fact that federal tax revenues are anticipated to reach 21.7 percent of the gross national product, the second highest level in history and the highest percentage since the record level of 21.9 percent reached at the height of World War II in 1944; and

Whereas, these increases in taxation and spending have been taking place despite rapid and dangerous decreases in defense spending as a percentage of the gross national product, defense spending having averaged 4.6 percent of gross national product in the 1977-1979 period compared with 5.4 percent in 1973-1976; and

Whereas, defense spending per se is not inflationary having averaged a much larger 11.4 percent of the gross national product in the minimally inflationary 1954-1960 period and 9.3 percent in the 1961-1965 period; and

Whereas, the combined effect of inflation, increasing marginal income tax rates, and deposit rate ceilings for passbook and similar savings accounts at commercial banks and thrift institutions has been devastating to small savers and destroyed their incentive to save through financial intermediaries; and

Whereas federal loan and loan guarantee programs, many of them not included in the formal budget, are expected to reach four hundred twenty-eight billion eight hundred million dollars by the end of fiscal year 1981 including an expected extension of one hundred forty-two billion dollars in new credit; and

Whereas despite OECD fiscal indicators showing an overall negative fiscal impact from federal, state and local spending between 1976 and 1979, and the more conventional indicators showing federal deficits declining as a percentage of the gross national product during the same period and, therefore, presumably federal borrowing becoming less stimulative, the rapid growth in the money supply experienced by the United States after 1975 indicates that fiscal policies were too stimulative requiring monetization of federal deficits by the Federal Reserve System; and

Whereas the experience of Germany and Japan in controlling inflation despite the much greater proportion of petroleum products which those countries import compared to the United States indicates that root cause of inflation is the combination of fiscal, monetary, tax and regulatory policies pursued by the United States government rather than petroleum prices; and

Whereas, a fiscal policy of constant economic stimulation under all economic circumstances is increasingly inflationary because the public changes its traditional savings and spending patterns in anticipation of impending actions of federal economic policy makers; and

Whereas it is becoming increasingly evident that high spending and taxation and high marginal tax rates are incompatible with a healthy economy for the United States given its structural characteristics and its ultimate dependence on the initiative of private individuals and organizations to produce real growth: Now, therefore, be it

Resolved, by the House of Representatives of the Fifty-fifth Legislature of the state of South Dakota, the Senate concurring therein, That the Congress of the United States symbolize its commitment to controlling inflation by balancing the 1981 federal budget; and be it further

Resolved, that the Congress of the United States achieve a balanced budget in fiscal 1981 by cutting nondefense expenditures; and be it further

Resolved, that the Congress of the United States begin a long-range program to gradually reduce the level of federal taxation and spending below eighteen percent of the gross national product; and be it further

Resolved, that the Congress of the United States begin reducing spending by rewriting entitlement formulas for the so-called "uncontrollable" portions of the federal budget in order to restore "control" of the federal budget to the representatives of the people and to provide aggregate expenditures at levels that do not interfere with the orderly growth of the economy; and be it further

Resolved, that Congress remove or alter the authority of the Federal Reserve Board and other federal regulatory authorities to artificially hold rates for small savers below

market rates and increase the incentives for small savers to utilize commercial banks and thrifts as financial intermediaries by granting an exclusion on interest earned by such savers similar to that provided on corporate dividends in the federal income tax system; and be it further

Resolved, that the Congress of the United States recognize the structural problem created for the economy and credit markets by its attempts to allocate credit through massive loan and loan guarantee programs and develop a long-range system to weigh the effectiveness of these programs against each other as well as determine the overall level of federal credit allocation desirable within the economy; and be it further

Resolved, that the Congress of the United States recognize the dynamic effects of marginal tax rates on productivity and growth in the United States economy and begin a systematic revision of the tax laws to stimulate capital formation and reward productivity in order to preserve a decentralized economic and political system which relies on individual initiative; and be it further

Resolved, that the Congress of the United States recognize that the economic climate is created not only by current facts viewed in one fiscal year but also by the public perception of the economic and political trends over several years, and that if the Congress of the United States wishes to improve the public's confidence in the country's economic future it must symbolize its determination by balancing the budget and undertake the more substantive long-range reforms necessary to show that a balanced budget is not mere symbolism but a commitment to a federal system of government and a market economy; and be it further

Resolved, that this petition for a balanced federal budget in fiscal year 1981 be forwarded by the chief clerk of the South Dakota House of Representatives to Speaker of the United States House of Representatives and the chairmen of its Appropriations Committee, Ways and Means Committee and Budget Committee, the President of the Senate of the United States and the chairmen of its Appropriations Committee, Finance Committee, and Budget Committee, the chairmen of the Joint Economic Committee, and the members of the South Dakota congressional delegation.

Adopted by the House of Representatives, March 12, 1980.

Concurred in by the Senate, March 12, 1980.

JESSE OWENS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 16, 1980

● Mr. WOLFF. Mr. Speaker, it is with a great sense of loss and sadness that I rise today to join my colleagues in honoring the memory of Jesse Owens, one of this country's true athletic superstars and dedicated Americans. Mr. Owens finally lost his lengthy battle against lung cancer on April 1, 1980. He passed away in a Tucson hospital almost 44 years after he astounded the world by capturing four gold medals in the 1936 Olympics.

I am sure that many of my colleagues vividly remember the Berlin games when Jesse Owens and my dear friend and colleague, Ralph Metcalf, captured the hearts of all people in

the free world by their domination of the track events. This unsurpassed performance clearly dispelled Hitler's theory of Aryan athletic superiority and further demonstrated the evils of racial discrimination.

Unfortunately, Jesse Owens' struggles did not end with the breaking of the tape at the finish line. There were many struggles which had to be met upon his return to the United States. With the same determination and courage which helped him in Berlin, Owens faced the racial discrimination and harassment prevalent in our country at that time. From the troubled pre-World War II period until his death, Jesse Owens never allowed the inequities of this Nation to defeat him. Instead, he chose to lead by emphasizing his dedication to the United States, in helping the young to develop to their highest potential as athletes, students, and Americans.

It is this unique spirit and vitality of Jesse Owens, coupled with his unquestionable abilities, that will be sadly missed. I would like to extend my personal condolences to his wife and children by paying tribute today to Mr. Owens, who unfortunately found one hurdle he could not overcome in his losing battle against lung cancer.

A TRIBUTE TO THE HONORABLE ARMAND A. GRANITO

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LENT. Mr. Speaker, on April 18, 1980, hundreds of Nassau County residents gathered to pay tribute to one of the most respected and most admired persons in the county, Hon. Armand A. Granito, who resides in North Bellmore in the Fourth Congressional District, which I have the honor of representing.

As Armand's Representative in the U.S. Congress, I want to call to the attention of my colleagues the remarkable record of public service of this true friend and outstanding leader. It is a record of continued effort to improve his community and to solve its problems. For more than three decades, Armand Granito has devoted much of his time to the betterment of the civic, religious, and cultural life of his community. In all of his endeavors, he has been aided by his lovely wife, Helen.

In fact, his very first effort in public life was aimed at solving a community problem. In 1949, Armand became chairman of a North Bellmore Citizens Committee concerned about safety on local streets.

From that beginning, Armand's involvement in community affairs strengthened and deepened. He played a leading role in organizing the North

Bellmore Chamber of Commerce, the Friends of North Bellmore Library, the first little league of North Bellmore, and the Kiwanis Club of the Bellmores. He has been very active in the Nassau County Council of Boy Scouts, and in other civic, religious, and charitable organizations.

For 15 years, Armand Granito held the post of civil defense director for North Bellmore, and has served since 1959 on the zoning board of appeals for the town of Hempstead. He is presently board chairman.

Despite the countless hours devoted to the varied community affairs of North Bellmore and Nassau County, Armand has continued to pursue successfully his profession as an insurance and real estate broker and appraiser, and has even found the time to author two books in the area of his professional expertise.

Nor has Armand overlooked his duty as a citizen to take part in the political life of his community. Always interested and active in the civic process, Armand became Republican executive leader of North Bellmore in 1959. For 21 years he has been the guiding force in directing the Republican Party efforts in North Bellmore. As a five-time candidate for Congress, I can testify with deep gratitude to Armand's ever effective and loyal support, and congratulate him for it. We in public office who know the contribution devoted party workers make to the success of a candidate will miss the dedicated service of Armand Granito.

But his retirement as the Republican Party's executive leader of North Bellmore will not signal the end to Armand's civic work, nor his professional career. And all of Armand's many, many friends applaud that public-spirited attitude, and look forward to even greater accomplishments from Armand in the future.

Mr. Speaker, I have devoted some time to outline for my colleagues some of the noteworthy accomplishments in Armand Granito's life, because, all too frequently in these days of "super-hype" and instant ego gratification, we tend to overlook the very worthwhile activities of those who work quietly and efficiently for the betterment of their communities. Their concern is to get the job at hand completed successfully, not public attention.

Solid citizens like Armand Granito benefit their communities and our great country far more than the rock stars, the jet setters, or the TV and movie stars who get so much media attention.

That is why, Mr. Speaker, I know that my colleagues will join me in offering the heartiest congratulations to Armand Granito on his past accomplishments, and the warmest best wishes for the future to him and to his lovely and gracious wife Helen. May their future years be even happier. ●

JERSEY CITY STATE COLLEGE SALUTED ON ITS 50TH ANNIVERSARY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. GUARINI. Mr. Speaker, I have been invited to participate in events marking the 50th anniversary of Jersey City State College. I would be remiss if I did not offer this opportunity for my colleagues to learn of the great work Jersey City State College has done, and to join in extending congratulations to a fine educational institution.

More than 50,000 students have been served by this college, whose major concern has been focused on the goal of responsive academic excellence, innovation, and commitment to community service.

In the half century since the stately gothic tower became a landmark, the "College on the Boulevard" has grown thirtyfold and survived a series of critical program changes which have enabled the institution to meet the needs and challenges demanded by an ever-changing and increasingly complex world.

Future vision will remain a priority in the 1980's at Jersey City State College, but campus history is not going by without all due pomp and circumstance in this 50th anniversary year. Community members have been invited to join college students, alumni, and staff in a yearlong celebration which features a series of special educational and cultural events.

The institution's history actually began in 1927 when the college was established as the New Jersey State Normal School, a 2-year teacher education program for kindergarten and primary teachers. After a strong appeal to then Gov. A. Harry Moore by Jersey City service clubs, an initial appropriation of \$2 million was allotted for the acquisition of land and the construction of what is today Hepburn Hall.

In 1929 when Babe Ruth hit home runs and Wall Street hit rockbottom, Charles Lindbergh opened the skies of world travel and Jersey City State College opened its doors, establishing a fine urban education institution.

It was on September 12, 1929, that the first classes were held.

It was in 1935 when the institution became the New Jersey State Teachers College at Jersey City, and received authorization to offer a 4-year teacher education program.

The next year it added health, education, and nursing to its curriculum. 7 years later preclinical training for nursing students was offered.

During the war years in the early 1940's several hundred men and women interrupted their college careers at JCSC to serve in the Armed Forces. The losses were great. Ten percent of the male students lost their

lives in battle. That was almost triple the number of deaths suffered by other colleges throughout the Nation.

In 1946 the veterans returned to a bustling campus that offered its first courses that could lead to degrees in business administration, engineering, premedical, predentistry, prelaw, and liberal arts.

In 1951 funds for the first physical expansion of the college resulted in curriculum enlargement.

In 1958 the name of the college was changed to Jersey City State College and was authorized to award bachelor of arts degrees. It was in 1958 that Dr. William Maxwell, the current president of the college, graduated on a veterans' scholarship with a bachelor of science degree.

The State board of education allowed the college to initiate graduate courses in 1959; 3 years later the A. Harry Moore Laboratory School became part of the college, bringing Jersey City State the distinction of being one of few colleges in the Nation to have an oncampus laboratory school for the physically handicapped.

Toward the end of a tumultuous decade of social change, JCSC became a multipurpose college. In 1968 the institution was authorized to develop a liberal arts program while continuing and expanding its teacher education program.

Today, this college is committed to an urban mission, serving thousands of residents from the northeast corner of the State—90 percent of its student body—residents of all other New Jersey counties, other States, and foreign countries. Presently, 9,665 persons are enrolled in JCSC programs; 7,600 as undergraduates, 1,065 as graduate students, and about 1,000 in occupational education programs.

The greatest number of those enrolling in the college are residents of Hudson County which has one of the highest populations of foreign born of any county in the United States. The college has traditionally been an institution which has served first generation citizens. This especially pleases me as the college is within the shadow of America's greatest first lady, the Statue of Liberty, in the 14th District which I represent.

Jersey City State College offers 20 undergraduate and 11 graduate degree programs in its school of arts and school of professional studies and education. Certification is also offered in the fields of English as a second language, educational administration, educational media, and bilingual/bicultural education and supervision. A postgraduate professional diploma program in school psychology is also available, as well as undergraduate programs in business administration, media arts, and nursing and degree programs in criminal justice/fire safety administration.

On the graduate level, master degree programs have been approved in health sciences and urban education. The focus of the college's outreach

effort in internship placements for the urban education program will be Hudson and Essex Counties with emphasis on Jersey City and Newark. Cooperative education programs which provide students with work experience in business and government are offered throughout the year.

Self-enrichment opportunities, including adult education, and professional/career training courses are offered through "Saturday semester" program, supplementing almost 1,600 courses offered for credit.

Senior citizens are invited to join classes on a tuition-free noncredit basis.

The Adult Education Resource Center assists educators, trainers, directors, counselors, teachers, and individuals to obtain resource materials.

The Peter W. Rodino Institute of Criminal Justice is a center for research and information for professionals and the public in the areas of law enforcement, correctional services, courts, probation, and parole.

The Center for the Advancement of Teaching and Learning is aimed at the development of practicing Hudson County teachers and those who teach teachers.

Jersey City State College has cooperated immensely in assisting the entire community in the presentations of workshops, seminars, and lectures. On April 18 I was privileged to sponsor with Jersey City State College an action conference on "Energy Prospects for the 1980's," which brought together speakers from the fields of education, labor, industry, science, and the community on a local, State, national and international level to discuss the world's depleting energy supply.

College leaders have been Dr. William Allen Messler, principal 1929-33; Dr. Edgar F. Bunoe, acting principal 1933-34; Dr. Roy Lee Shaffer, principal 1934-40; Dr. Chris C. Rossey, president 1940-46; Dr. Forrest A. Irwin, president 1946-54; Dr. Michael B. Gilligan, president 1954-67; Dr. William A. Liggett, acting president 1967-68; Dr. James H. Mullen, president 1968-73; and Dr. William J. Maxwell, president 1974-.

Members of its board of trustees are Herman Suenholz, Elleen Tulpan, Herbert Winokur, Earl Byrd, Michael Fernandez, Leo Flexer, William Hayling, Paul McNulty, Ida Zeik, and William Maxwell.

Assisting Dr. Maxwell in college administration are Joseph Drew, Julian K. Robinson, Edwin G. Welsman, Bruce Waldman, Mary J. Clark, Paul E. La Roche, Robert S. Nugent, Jack List, Heman Adams, and John R. Nevin.

Dick Colaneri, class of 1941, is director of alumni affairs who is leading a renaissance of pride and enthusiasm among former students.

Ellen Wayman is director of public information for the college.

On Saturday, April 26, I will be pleased to attend the Alumni Golden

Anniversary Reunion extended by their officers, President Angelo Mureo, 1974; Vice President Nick Ciocia, 1975; Secretary Beverly Lazara, 1975; Treasurer Judy Lipka, 1976.

In this anniversary year, JCSC is extending its services and resources to meet the needs of the people of New Jersey. As the State's only public urban institution, JCSC accepts its responsibility to successfully meet the critical academic and financial challenges of the next half century. It is this sense of commitment that perhaps best characterizes the gothic spirit which is being feted this year. May it live forever. ●

OBEY BUDGET SUBSTITUTE

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. OBEY. Mr. Speaker, when the budget resolution goes to the floor later this week, I will offer a substitute to the committee bill.

The primary thrust of this substitute will be to hold down the size of the burden which the committee resolution would shift to local property taxpayers through cuts in revenue sharing, grants to local school districts, EPA sewer construction grants, and so forth, while asking the oil companies to make a somewhat larger contribution through limiting the use of the foreign oil tax credit. Last year, by a 355-to-66 vote, the House approved an amendment calling for the virtual repeal of this tax credit.

I will also propose significant cuts in governmental use of consultants, in contract printing, and in Government film and audio visual procurement.

The substitute will increase the surplus from \$2 billion in the committee resolution to \$2.1 billion.

In addition to holding down cuts that will tend to shift responsibility to local taxpayers, the amendment will address inadequacies in the committee recommendation for several selected federally run programs, including staffing for VA hospitals, elderly nutrition, and expansion of educational and other benefits to military reservists.

In summary this amendment will:

First, increase the surplus; second, cut bureaucratic spending; third, limit the foreign oil tax credit; and fourth, ease the pressure on property taxpayers and senior citizens.

I believe the adoption of this substitute will broaden the consensus in the House for the difficult work that lies ahead and I urge you to support it when it is offered this week.

Attached is a detailed breakdown of each of the items contained in the amendment.

SUMMARY OF OBEY SUBSTITUTE BUDGET RESOLUTION FOR FISCAL YEAR 1981—BUDGET TOTALS

(In billions of dollars)

	House Budget Committee	ObeY substitute	Difference
Revenues.....	613.8	614.6	+0.8
Budget authority.....	694.6	695.7	+1.1
Outlays.....	611.8	612.5	+0.7
Surplus.....	2.0	2.1	+0.1
Debt subject to limit.....	926.8	926.8

BUDGET FUNCTIONS

050—National Defense: Increase for military personnel to expand the incentives for recruiting reservists (+\$60 million in BA and Outlays).

150—International Affairs: No change.

250—General Science, Space and Technology: No change.

270—Energy: No change.

300—Natural Resources and Environment: Restore ½ of the cut in the Land and Water Conservation Fund (+\$150 million in BA and +\$75 million in Outlays); restore a portion of the cut in the EPA Construction Grants program (+\$150 million in BA and +\$25 million in Outlays); restore Rural Water and Sewer Grants program to 1980 appropriation level (+\$16 million in BA and Outlays).

350—Agriculture: No change.

370—Commerce and Housing Credit: Increase funding for Rural/Elderly Housing (+\$150 million in BA and +\$15 million in Outlays).

400—Transportation: Increase funding for Mass Transit projects (+\$80 million in BA and +\$50 million in Outlays).

(Although the Committee's resolution does not directly cut Mass Transit programs, reductions would probably occur because some jurisdictions use highway funds—which were cut by the Committee—for Mass Transit projects.)

450—Community and Regional Development: No change.

500—Education, Training, Employment and Social Service: Restore ½ of the cut in School Assistance (Impact Aid) funding (+\$100 million in BA and +\$90 million in Outlays); restore a portion of the cuts in Youth Education and Training programs (+\$200 million in BA and \$144 million in Outlays); increase funding for Elderly Nutrition/Social Services programs to maintain current operating levels (+\$25 million in BA and Outlays).

550—Health: Restore a portion of the cut in the Child Health Assurance Program (CHAP) so as to permit the program to begin before the start of the '81-'82 school year (+\$40 million in BA and Outlays).

600—Income Security: Restore a portion of the cut in the Fuel Assistance program to reflect increased fuel prices in FY 1981 (+\$50 million in BA and Outlays).

700—Veterans Benefits and Services: Restore cut in VA hospital staff and increase GI Bill Education Benefits by an additional 2 percent (+\$78 million in BA and +\$75 million in Outlays).

750—Administration of Justice: No change.

800—General Government: No change.

850—General Purpose Fiscal Assistance: Restore a portion of the cut in the General Revenue Sharing program (+\$500 million in BA and Outlays).

900—Interest: No change.

920—Allowances: Reduce expenditures for consultants, printing and film procurement (—\$425 million in BA and Outlays).

950—Undistributed Offsetting Receipts: No change.

REVENUES

Curtail the foreign tax credit for oil and gas companies, +\$800 million.■

WHERE IS RAOUL
WALLENBERG?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, now that the people of the world are more keenly aware of the human rights violations and atrocities practiced by the Soviet Union—the oppression of the people of Afghanistan resulting from the Soviet Union's unwarranted attack; the refusal of Soviet officials to allow banished Soviet dissident Andrei Sakharov to leave the country; the continuing struggle for religious freedom sought by the Vashchenko and Chmykhalov families and countless other Soviet citizens—there is yet another question that Moscow officials should answer: Where is Raoul Wallenberg? What have the Kremlin overlords done with this heroic humanitarian?

Raoul Wallenberg, a son of prominent Stockholm banking family, was a member of the Swedish Embassy staff in Budapest during World War II. Aware that the Nazis planned to exterminate Hungary's 700,000 Jews, he issued "protective" Swedish passports, enabling close to 30,000 people to flee the country. He also built an elaborate relief organization in Budapest which provided temporary haven on neutral ground for Jews awaiting transit. The Israeli Government has honored him by placing a plaque with his name on the Avenue of the Righteous Gentiles at the very moving Yad Vashem memorial complex near Jerusalem.

When the Red army marched into Budapest in January 1945, Wallenberg, then 32 years old, was suspected of espionage and was taken prisoner by the Russians and sent to the Soviet Union. He has not been heard from since.

The Soviet Government, in response to inquiries from the Wallenberg family, the Swedish Government and numerous interested journalists and private persons, at first claimed that Raoul Wallenberg had been killed by the Gestapo before the war ended. Then, in February 1957, Andrei Gromyko, then Soviet Deputy Foreign Minister, made the sensational assertion that Wallenberg had died of a heart attack in Lubyanka prison in 1947. However, reports from many sources inside the Soviet Union over the course of the past 30 years seem to indicate that he might have become a political prisoner in the labor camps or mental hospitals of the Gulag Archipelago.

Here is a representative sampling of reports that have appeared over the years in the public press:

Simon Wiesenthal, head of the Jewish Documentation Center in Vienna, said that as late as 1975 Mr. Wallenberg was alive in the Irkutsk Psychiatric Hospital in Siberia... Mr. Wiesenthal spoke of Mr. Wallenberg, a member of a prominent Swedish family, at the close of international hearings on alleged violations of human rights in the Soviet Union and Eastern Europe (New York Times, Nov. 29, 1977).

The exiled Soviet Nobel Laureate and dissident Alexander Solzhenitsyn contends that Wallenberg is still alive. His belief is supported by disparate evidence collected over the years by Jewish Nazi-hunter Simon Wiesenthal of Vienna and other scholars. Solzhenitsyn visited Wallenberg's family in Sweden shortly after his ouster from Russia and advised them to enlist the help of interested Jewish organizations in a public campaign to establish the diplomat's fate. (Jewish Telegraphic Agency Bulletin, June 14, 1979).

The freshest information in the Swedish aide memoire dated January 3, 1979, came from Jan Kaplan, a Moscow Jewish antique dealer, who was imprisoned between 1974 and 1977. Last year, he telephoned his daughter, who lives in Israel, and told her not to worry about his health after being in prison. He said: "In the Butyrka Hospital department, I met a Swede who has been in prison for 30 years, and he did not look bad at all." Last December, following the phone call to his daughter, Kaplan was again arrested. (Jewish Telegraphic Agency Bulletin, Apr. 2, 1979).

The story of Jan Kaplan adds credence to the view that Wallenberg is still being held prisoner by Soviet officials. Read carefully the following excerpt from "The Search for a Hero" by John Bierman that appeared in the August 10, 1979, edition of the Boston Globe.

The next piece of apparently objective evidence surfaced in Tel Aviv in November 1977, when a Russian Jewish immigrant named Dr. Anna Bilder received an unexpected phone call from her father, Jan Kaplan in Moscow.

Kaplan, former administrator of an operatic conservatory in the Soviet capital, had been jailed in 1975 on currency charges. He was released 18 months later for health reasons and was phoning to tell his daughter the good news.

"It wasn't so bad," the 66-year-old Kaplan reassured her. "When I was in the prison infirmary at Butyrka in 1975 I met a Swede who'd been in different prisons for 30 years and he was in pretty good condition."

The significance of this remark was lost on Bilder, who had never heard of the Wallenberg case. But relatives in the United States to whom the conversation was subsequently related did know the Wallenberg story.

They passed the information on to the Swedish embassy in Washington and this led to a further note to the Kremlin. In January 1979, the reply came. The Soviets had no further information.

The trail went cold until the first week of July this year when Anna Bilder received a letter from her mother, which she says was brought from Moscow by a new immigrant. Under a June 14 dateline, Eugenia Kaplan wrote.

"I write this letter but I am not sure it will reach you and that the same thing will not happen as with father's letter, because of which he is already a year-and-a-half in prison again. . . .

"I lost all hope after I was called to the Lubyanka and learned that all this tragedy occurred because of the letter about this

Swiss or Swede Wallberg (sic) whom he met in the prison infirmary. . . ."

"Father wrote a long letter about this Wallberg and for a long time he carried it around with him looking for a chance to send it to you through a foreign tourist," the letter related "Every Saturday he went to the synagogue where many tourists visit, but for a long time he had no success. . . .

"One Saturday, father came back in a very good mood and told me that at long last he had succeeded in giving the letter to a young foreign tourist who promised to send the letter from Vienna or Germany, I don't remember which."

"A few days later, it was on Friday night, February 3, (1978) there was a meticulous search at home and they took father away. . . . When I was called in May to the Lubyanka a very angry colonel screamed at me: The Soviet authorities behaved humanely and released him (her husband) because of his sickness, but he ungratefully decided to send out illegally through a foreigner anti-Soviet spy-letters to Israel. And your daughter," he screamed, "started there in Israel anti-Soviet propaganda. . . ."

"I don't know if it is better to keep quite, as some people advise, or the opposite, that some American senators and other important people should start campaigning for father, because many people were released through complaints to American senators, and even the President himself. And some people say that only a fuss in the papers and on the radio will help."

"I don't know the answer myself. Here we are like blind puppies. You can see better there. But I'm afraid he won't ever see you again or your little Daniella."

"Why did your father have to interfere in this business? He never had anything to do with politics and wouldn't even listen to political jokes. Because of that letter about a poor prisoner they arrest a man and keep him for a year and a half, so what good can you expect here?"

If the 1975 sighting was genuine, it is the last indication that Wallenberg was alive, at least at that time.

With all the information that has come to light in the past few years, it is in all likelihood that Raoul Wallenberg is alive and being held in a Russian prison for vicious reasons only known to Moscow officials. Has not Raoul Wallenberg suffered enough? He gave so much of himself to save countless thousands from atrocities. Now, he is the one being subjected to atrocities himself. Why keep him in prison any longer? Why was he imprisoned in the first place?

Mr. Speaker, I will have a special order on this atrocity tonight, April 22, 1980. Interesting that today is Vladimir Lenin's 110th birthday.■

BICYCLES REDUCING GASOLINE
CONSUMPTION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. EDGAR. Mr. Speaker, it is becoming increasingly apparent that our Nation must reduce its dangerous dependence on foreign oil imports. One important way to do that is to reduce our consumption of gasoline by promoting ride sharing, mass transit, and

alternate modes of transportation like bicycling.

The significance and increase in the use of bicycles was described well by Ralph B. Hirsch, national legislative director of the League of American Wheelmen, in testimony before the Appropriations Subcommittee on Transportation. As a longtime supporter of Federal involvement in promoting bicycle use, I commend his testimony, along with an article from the New York Times, and enclose them for the review of my colleagues.

STATEMENT OF RALPH B. HIRSCH, NATIONAL LEGISLATIVE DIRECTOR, LEAGUE OF AMERICAN WHEELMEN

A silent revolution in urban transportation may be happening under our noses. During the decade of the 1970's, bicycles have outsold automobiles in the United States: from 1970 through 1979, the American public has bought 103.7 million bicycles, compared with 102.1 million autos. The use of bicycles for transportation seems to be climbing steadily: the Census Bureau estimated that nearly 500,000 persons regularly used the bicycle for commuting to work in 1975-76, and visual evidence suggests a considerable increase since then (we'll know more after the data from the 1980 census have been analyzed). Particularly spectacular evidence of bicycle use for transportation can be seen when the normal patterns of modal choice are disrupted, as in New York City's recent transit strike; the New York Times, in an editorial dated 16 April 1980, cited official estimates of 200,000 persons a day cycling to work during the strike.

The United States Congress, recognizing a trend that needed to be supported and reinforced, passed in 1978 the new Bicycle Grant Program under section 141 of the Surface Transportation Assistance Act (Public Law 95-599). That section authorized \$20 million per year from the grant program, and last year this Subcommittee—showing the leadership that the Administration so far has failed to show with respect to bicycling—appropriated \$4 million for fiscal year 1980.

Speaking for the bicyclists of America, the millions who already use the bicycle regularly and the many millions more who would do so if some changes were made to foster bicycling, we ask this Subcommittee to continue its role of leadership by appropriating the full twenty million dollars for fiscal 1981.

Over the two peak decades of highway building in the U.S., from 1956 through 1975, the federal, state and local governments spent a total of \$325.2 billion on highways, nearly \$1,500 for every man, woman and child alive in this country today. Unfortunately that huge amount was spent without considering the bicycle in highway design and operations. We ask that the full amount authorized under section 141, or 9¢ per person in 1981, be appropriated to make use of the highway system by bicycles safer and more convenient.

The U.S. Department of Transportation, trying to rationalize its failure to request funding for section 141, has held that this section and the previous authorization, under section 217 of Title 23, United States Code, are essentially interchangeable. DOT's own experience has shown the contrary to be true: for the fiscal years 1975-78, of the total of \$170 million theoretically available to the states under section 217, only \$14.2 million was actually spent. The Congress recognized the defects that caused the older program to fail, and designed section 141 as

a specific remedy. It would be well for DOT to join in that recognition at long last.

The current fiscal year, 1980, is the first one in which funding for section 141 has been available. Although DOT has not even written the final regulations for this grant program, applications have been pouring in. Preliminary figures from half a dozen states suggest that the \$4 million for fiscal year 1980 will be tremendously oversubscribed:

(As of Apr. 10, 1980; dollars in thousands)

State	Number of project proposals	Federal funds requested
California	52	\$4,000
Florida	5	400
Illinois	15	860
Minnesota	5	440
Oregon	51	960
Pennsylvania	8	550

The section 141 program is likely to be an outstandingly effective investment of federal dollars. Its guidelines, unlike those of its predecessor, are highly flexible: in addition to construction of various types of facilities, a variety of programs to encourage bicycling and make it safer are eligible for funding. As we pointed out to this Subcommittee last year, for every 1 percent of short trips in the U.S. switched from the auto to the bicycle, 131 million gallons of gasoline would be saved, and other benefits (such as reduced congestion) could result.

We recognize that these are days of austerity and budget-cutting. We submit that an appropriation to encourage bicycle use is cost-effective and fits right into Congress's scheme to economize on transportation and to make our system a little less dependent on foreign oil. In addition, it might well make some of our commuters a bit leaner and a bit healthier.

We appreciate the opportunity to present these comments, and look forward to working with you in shaping a safe and versatile transportation system for all classes of users.

[From the New York Times, Apr. 15, 1980]

CITY WORKING TO MAKE PERMANENT DEVICES THAT CUT STRIKE CONGESTION
(By Robert McG. Thomas, Jr.)

The Koch administration said yesterday that it intended to translate some of the ways New Yorkers traveled during the 11-day transit strike into a permanent program to ease traffic congestion in Manhattan.

One of the things the city expects to do within a few days is re-establish the special lanes and other provisions made for bicyclists in midtown Manhattan, according to Ronay Menschel, Mayor Koch's executive administrator. She said: "We want to take full advantage of the momentum for bicycle travel that built up during the transit strike."

In Queens, four struck bus lines agreed to resume operations this morning as traffic returned to normal in the first workweek after the transit strike.

Mrs. Menschel was named by the Mayor yesterday to head a new task force charged with recommending changes in the city's transportation policy.

The panel was given until April 30 to make its recommendations, Mrs. Menschel said. Transportation officials said yesterday that they were studying ways of segregating bicycle lanes on a permanent basis without using traffic cones, which were frequently knocked aside during the transit strike.

In addition, the panel will study ways of promoting car pooling, including varying tolls on toll bridges and tunnels leading to

Manhattan and the re-establishing of priority roadways limited to cars with a required minimum number of passengers.

The panel will also work with the Taxi and Limousine Commission on the rush-hour group-riding plan that the commission has said it wants to make permanent.

The formation of the new task force was disclosed by Mayor Koch at a news conference in which he and Comptroller Harrison J. Goldin announced that city employees who performed exceptionally during the strike would share in \$25,000 in award money donated by a private foundation.

The donation, which grew out of a chance dinner party meeting last week between Mr. Goldin and Ivan Obolensky, who heads the Josephine Lawrence Hopkins Foundation, will finance \$250 and \$500 awards to individual city workers nominated by city officials and the public. (Mrs. Hopkins was an heiress to the Listerine fortune.) Mr. Goldin, who will be in charge of the project, urged citizens to send nominations to him at the Municipal Building, New York, N.Y. 10007.

Transportation officials said as many as 75,000 bikers a day entered the central business district during the transit strike, compared to a prestrike daily average of 2,000. To accommodate the increase during the strike, officials widened previously established bike lanes between Columbus Circle and Washington Square and lined them with traffic cones.

Mrs. Menschel, who said that the task force would consider re-establishing segregated wide lanes when it meets for the first time today, said a final decision would depend on the amount of enforcement required to maintain the wider lanes.

THE EXISTING REGULAR LANES

The permanent lane is a four-foot-wide strip just outside the left parking lane of Broadway from Columbus Circle to Madison Square and on Fifth Avenue from Madison Square to Washington Square. A similar, northbound lane runs up the right side of the Avenue of the Americas to 59th Street.

During the strike the lanes were widened to include the parking lane, and this required the banning of parking along the route and towing away violators.●

NATIONAL SECRETARIES WEEK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WOLFF. Mr. Speaker, I bring to the attention of my colleagues the fact that this is National Secretaries Week.

In recent years the job of being a secretary has been much maligned. While I strongly favor equal rights and opportunities for women, I still think it is important not to belittle this profession which is largely dominated by women. Women should not be limited to a secretarial job, and neither should secretarial positions be limited to women.

My intent today is not to talk about equal rights, but to praise the many hard-working secretaries that keep businesses and government going. The professional secretary performs services which are absolutely essential to office operations. Secretaries do not simply type letters—they perform administrative functions, edit, and control the quality of office products, in

April 22, 1980

addition to many other functions. With sophisticated office machinery proliferating in offices across the country, many secretaries have become operators of complicated word-processing machines.

I salute the work and professionalism of the secretaries of this Nation and especially want to call attention to my own secretaries who have been of such great help and support throughout my service in the U.S. Congress. ●

IS THE ASSISTANT SECRETARY FOR NONPUBLIC EDUCATION "JUST ANOTHER SUBTLE ATTACK?"

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● **Mr. ASHBROOK.** Mr. Speaker, I have commented previously on the Carter administration's plan to bypass Congress in establishing a new Assistant Secretary for Nonpublic Education—a direct violation of the law. Now Robert Baldwin, executive director of Citizens for Educational Freedom, has informed me that under this administration's plan this new officer would not engage in advocacy for nonpublic schools, but that he would use his office to gather data on these schools.

Mr. Baldwin's information, which comes from meetings between CEF leaders and members of the Department of Education transition team, reinforces the fears expressed in this House last fall when we voted down an earlier attempt to create such an Assistant Secretary. For many independent educators the Federal Government is a source of harassment, not benefits; the administration's thinking, as conveyed to Mr. Baldwin, makes it more likely than ever that this new office will simply become yet another device for Federal meddling.

Federal agencies like the Internal Revenue Service, the Office for Civil Rights, and the National Labor Relations Board have recently found occasion to distort congressional intent in order to enhance their own power at the expense of private schools. If a so-called "Assistant Secretary for Nonpublic Education" has no mandate to engage in advocacy to challenge such bureaucratic power grabs, his whole enterprise immediately becomes a venture in triviality.

Even more disturbing is the prospect of the Federal education establishment's drawing private schools into its data-collection labyrinth. The National Center for Education Statistics projects that about 9.5 million man-hours will be spent in the 1980-81 school year to fill out pieces of paper mailed out from the Federal education establishment. Every minute of that time, of course, is a minute that will not be spent on doing what the best educators want to do and what parents pay

them to do. It is no accident that, according to a recent study by the National Association of Secondary-School Principals, one-third of a sample of "exceptional" principals were planning to leave their jobs.

I think the administration should be removing unnecessary burdens from public education, not extending them to private education. But as in this case as in so many others, Washington is moving to spread the misery instead of alleviating it.

Mr. Baldwin concludes that "on such a crucial issue Congress should hold full and complete hearings before any office such as this be established." I could not agree more.

Here is the full text of Mr. Baldwin's letter to me dated April 8, 1980:

CITIZENS FOR EDUCATIONAL FREEDOM,
Washington, D.C., April 8, 1980.

Hon. JOHN ASHBROOK,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ASHBROOK: As you are aware, the new Department of Education is undertaking to set-up an Office of Assistant Secretary for Nonpublic Education. The Board of Citizens for Educational Freedom is concerned that this new office may become a tool to further restrict the parents' choice of nongovernment schools through bureaucratic controls.

While the Congress debated the establishment of this new department, the House of Representatives rejected a move to establish an Assistant Secretary for Nonpublic Education with these same concerns in mind. It now seems that the President has seen fit to circumvent the concerns of Congress and establish this office through bureaucratic reorganization, and in such a way that the Assistant Secretary would not be subject to the advice and consent of the Senate.

Conceivably this new office which will oversee the thousands of religious and private schools could be headed by Madeline Murry O'Hare, or some one diametrically opposed to nongovernment education. Although, I certainly don't expect that type of appointee, what's to guarantee that this will not happen?

During an informative meeting of the transition team that is concerned with this new Assistant Secretary and at a private meeting with CEF's President and myself, Mr. Vopelak (transition team leader) indicated that there would be an Assistant Secretary (no discussion on that point). The office would have no programs to administer, that it would not be an advocate office for nonpublic education, and that the office would gather data on nonpublic schools and parents.

In view of recent action by other agencies within President Carter's Administration such as, action against nongovernment schools by The National Labor Relations Board, Unemployment Compensation, Internal Revenue Service on two separate instances, and law suits filed by federal agencies purporting other "crimes" by nongovernment schools, this new office is viewed with fear and trepidation by parents. These actions coupled with Mr. Carter's opposition to any form of relief for parents with children in nongovernment schools and particularly his opposition to tuition tax credits leads one to consider if the office is not just another subtle attack on nongovernment schools.

CEF believes that on such a crucial issue that Congress should hold full and complete hearings before any office such as this be established. I understand that there is legis-

lation pending that would establish this office through the legislative process. This legislation should be given a hearing, and the President should await the determination by Congress as to whether or not there should be an Assistant Secretary of Nonpublic Education.

I trust that you will do what you can to bring light to this issue.

Sincerely,

ROBERT E. BALDWIN,
Executive Director. ●

A SALUTE TO THE MOUNT PLEASANT CATHOLIC ELEMENTARY EDUCATION CENTER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● **Mr. STOKES.** Mr. Speaker, in recent years, many of our schools, both private and public, throughout the country have been labeled as inefficient and boring in their approach to education. At this time, it is a pleasure to bring to the attention of my colleagues in the U.S. House of Representatives one educational center in Cleveland, Ohio, which is giving its students a quality education—the Mount Pleasant Catholic Elementary Education Center.

This week, April 21-28, 1980, the center is celebrating its 10th anniversary. On this occasion, it is appropriate to recant the center's contribution to the community as well as to the students it has served.

The center has demonstrated its commitment to quality education utilizing innovative approaches. Basing its educational philosophy on the Nguzo Saba system—the black value system—the school stresses educational excellence, community involvement, unity, and collective economics. Thus, the school not only molds quality students but also quality citizens. This is the highest compliment that can be paid to any school or school system.

At this time, Mr. Speaker, I enter the history of the school in the RECORD so that my colleagues can better appreciate this great learning center.

SCHOOL HISTORY

Even before the merger year of 1970, it had become apparent that individual parish schools could not continue to support themselves in an area rapidly changing from white, ethnic Catholic to black, non-Catholic.

In retrospect, it is difficult to capture or recreate the strength, courage and determination it took to bring forth this school.

Imagine, if you will, the disparate elements that were combined to make Mt. Pleasant Catholic:

Two nationality parishes cherishing their ethnic heritage.

Two territorial parishes with many black families facing financial difficulties.

Four religious communities working through the various stages of their own renewal.

Black and white parents struggling for the Catholic Education of their children.

Over the years, four parish involvement has dropped to three. The original four

buildings have become one. The school population has gone from around eight hundred in 1970 to a current three hundred and two in 1979-80. A once ethnically-mixed school is now more than 99 percent black; and, the total Catholic population is around 20 percent. The fact that the school has been able to adapt and change with the demands of the time and the neighborhood, has assured its survival.

The tradition of Christian self-giving and dedication has remained constant. Through conflicts and disagreements were interwoven with past triumphs, they have not prevailed. The legacy of the past is one of a people filled with living hope, alive with an Impossible Dream of Community—a school community where everyone is truly someone. These gifts we bring with us to the present. Facing the future with this hope and gratitude, we thank God for all that has gone before and ask His continued blessing on the future. ●

MUSHROOM WEEK IN DELAWARE

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. EVANS of Delaware. Mr. Speaker, the week of April 25 through May 1, 1980, is being declared "Mushroom Week in Delaware."

Mushroom production plays a significant role in Delaware's agricultural economy. With an annual dollar value of approximately \$5 million, mushrooms are Delaware's fourth largest cash crop. We in Delaware are very proud of the significant contribution that this vital industry has made to our State's economy.

As a member of the House mushroom caucus, I am deeply concerned about the ongoing battle the domestic mushroom industry is waging against unfairly priced foreign mushroom products. These imports have virtually eliminated our domestic canning industry and resulted in thousands of lost jobs for American workers.

I am pleased that some progress has recently been made by the domestic mushroom industry against the flood of unfairly priced imports. Last year, I joined with other concerned Members of Congress in expressing our opposition to the free importation of fresh mushrooms. This proposal could have been the final fatal blow to the domestic mushroom industry resulting in the further displacement of thousands of mushroom workers throughout the United States. I was pleased to learn that Executive Order 12204 of March 27, 1980, amending the generalized system of preferences, does not authorize the duty-free importation of fresh mushrooms.

Another important action was recently taken when the American Mushroom Institute petitioned the U.S. International Trade Commission for investigation, public hearing, and tariff adjustment with respect to canned mushrooms. The domestic mushroom canning industry has been virtually destroyed by imports in

recent years. During the past 5 marketing years, the import share of market has risen from 69 percent in 1974-75 to 93 percent in 1978-79. The domestic mushroom canning industry is seeking relief in the form of a tariff rate quota system which would provide our domestic canning industry with an opportunity to improve its competitive position in the marketplace as well as strengthen its financial foundation in order to adjust to international competition. It is expected that the Commission will make its recommendation by the end of the summer.

Another encouraging action occurred on September 5, 1979, when the Economic Development Administration of the U.S. Department of Commerce approved a \$250,000 grant to provide a portion of a \$306,000 program of technical assistance designed to help the domestic mushroom industry restore its share of market through more effective marketing, improved productivity, and product diversification. The project will be coordinated by the American Mushroom Institute with assistance from the Pennsylvania State University.

I hope that my colleagues will join with me in recognizing the importance of the domestic mushroom industry. Its continued viability should be a matter of much concern to the Congress. ●

EARTH DAY 1980

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RODINO. Mr. Speaker, today we celebrate the 10th anniversary of Earth Day. I am heartened by the overwhelming response of citizens and communities throughout our country who have participated this past weekend in commemorative events and activities to reaffirm our commitment to improving and preserving the vital resources Earth has given us.

I had the privilege last Saturday of attending the Newark Earth Day celebration held in Branchbrook Park, which coincided most happily with blossoming of the park's cherry trees. For the event, a cherry blossom run was held, sponsored by the Newark Chamber of Commerce, the North Ward Cultural and Education Center, the Essex County Park Commission, and the New Jersey Department of Environmental Protection. It was a joyful event, and I was pleased to help present the awards to the winners.

Mr. Speaker, on that first Earth Day 10 years ago, millions of people throughout the Nation demonstrated their support for a movement to change our country's values. We undertook a commitment to improve the quality of life upon our Earth.

Until then, a careless and carefree America had gone its way taking for

granted that we would always have an ample supply of clean air and water, arable cropland, healthy and flourishing forests, wilderness, fish and wildlife, parks, and coastal areas.

Our awakening to the harsh realities of smoke, pollution, chemical contamination, and devastated landscapes was long in coming and almost too late.

In the last decade we have made dramatic strides in cleaning up our environment and our workplaces and in preserving our natural heritage. We have enacted landmark legislation to assure clean air and water; to insure preservation of endangered species; to control the use of toxic substances; and to preserve millions of acres of cropland, wetlands, forests, wilderness, parks, and plains throughout all of our 50 States.

I can cite several examples close to home that show the remarkable results of Federal-State-local cooperation in improving our environment.

Last year the city of Newark received \$97,095 from the Federal Government under the clean lakes urban initiative program to plan the cleanup of Weequahic Lake. Newark is one of 10 cities across the country to participate in this pilot program.

Newark and East Orange also have applications now pending for Federal funds to improve and expand parks and recreation facilities.

In 1970, millions and millions of pounds of harmful sewage were being dumped in the ocean off our coast. By the end of this year, thanks to a strong Federal law, this dumping will have ceased. Indeed, back then New Jersey's coastline might well have been listed as an endangered species. But the Wetlands Act passed by Congress in 1970, together with vigorous and enlightened State implementation and enforcement, has brought us proper development and environmentally sound protection of our precious coastal areas.

But I am convinced that our greatest challenge lies ahead. We are now confronted with an energy crisis that assaults our environment and our economy. We are at a crossroads where the energy choices we make now will determine our country's environment for ages ahead. The state of our economy, with its inflation and recession, gives detractors of the environmental movement the opportunity to press for setting aside pollution controls and resource protection standards until more favorable conditions prevail.

The anti-environmentalists speak as if environmental protection were an economic luxury rather than a responsibility to the health, safety, and happiness of ourselves and future generations.

We must resist with all our strength the pressures to weaken our commitment to our fragile environment. We must continue, steadily and firmly, the progress we have made. We must weigh the compatibility of new technologies with our global ecosystem. For much still remains to make Earth

secure for us and those who will follow.

Today we must rededicate ourselves to recognition of the fact that we have only one Earth and that we had better continue to take care of it. ●

SOUTH END SOLAR GREENHOUSE: A COMMUNITY SELF-HELP EFFORT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MOAKLEY. Mr. Speaker, this Nation is currently involved in a death struggle with our addiction to oil as an energy source. A leading alternative to petroleum-based fuels is solar energy, a clean, nonpolluting, and, most importantly, free fuel. The transition from fossil fuels to Sun power will be a difficult period for us, yet necessary in view of the world situation. Exemplary efforts to educate the people about solar energy, such as "Earth Day," will go far in easing the transition.

In keeping with the spirit of Earth Day, I would like to share with my colleagues an article from the Boston Globe, demonstrating the potential for solar power in urban use. Small-scale operations such as the one described in Boston's South End may one day serve as an important source of food for city dwellers. I believe this project and others like it will significantly aid the advancement of solar power and technology as our Nation strives for energy independence.

The article follows:

SOUTH END SOLAR GREENHOUSE: A COMMUNITY SELF-HELP EFFORT

(By Gayle Pollard)

A place to nurture a seed is rare along West Brookline street in the South End where, as in many of the city's neighborhoods, few stalks of anything green push through the bricks and asphalt.

This scarcity of greenness contrasts dramatically with the lush tropical landscape that many of the street's residents—or their parents—enjoyed year-round back home in Puerto Rico.

But vegetables and flowers will sprout year round across from the Villa Victoria townhouses, even through Boston's harsh winter. At least that's the hope of a group who recently finished building a solar greenhouse.

The plastic-covered geodesic dome resembles a jungle gym topped with a bubble. Ten and one-half feet tall at the highest point, the sides slope to the ground. Inside, warm humid air bathes the vegetables and flowers tucked into the 21-foot circle of soil.

"We want kids to run this project, to have a garden growing all year round," said Steve Guthertz, the project manager and principal adult involved.

He helped four youngsters to build the greenhouse with \$1000 funding through the Northeast Solar Energy Center. The youngsters earned \$500 collectively and materials cost about \$500, Guthertz said. The project was sponsored by Inquilinos Boricuas en Accion (Puerto Rican Tenants in Action) and Community Consultants, a group of neighborhood professionals who conceived the idea.

EXTENSIONS OF REMARKS

The greenhouse represents more than an attempt to provide gardening space and extend the growing season. The project represents a push toward community self-sufficiency, Guthertz said.

"There's a need for people to become aware of where they get their food," he explained. "There's a need for people to find economical ways to get their food. Instead of going to the supermarket and paying for it, they can get it by working together."

"We see an important need in the city," he added, particularly in areas where gardening space is at a premium.

He wants the project to teach another lesson, to show that low-cost solar projects can be built by almost anyone.

"The whole idea of this project is to show a lot can be done for a little," he said. "And you don't need a technological education (to build it). The kids can do this."

He taught the youngsters about the sun, its path and powers before the building was begun two months ago.

Then the pipes were set in place. The young men climbed those pipes to measure sections to be covered with the thermal plastic. After completing the measurements, the plastic stretched on "just like a cap," explained John Rosa, 19.

Rocks were collected to form the thermal mass that the sun would heat. Barrels half-filled with water were set up with the rocks at one end of the growing space.

Finally they prepared the earth for their seeds and plants. Two weeks ago, the first plants—tomatoes—went into the soil.

"We felt good about the first plants," said Miguel Del Valle, 15. "That made up for a lot of frustrations. I like plants," he added. "My father is a gardener. He teaches me about it."

In addition to the tomatoes, the group planted other vegetables such as celery, lettuce, onions, and flowers, including a fuchsia, marigolds and dahlias.

They chose a combination of hot weather and cold weather plants. Guthertz said, just to see the results.

The cold weather test came one day last week when the temperature dipped to 36 degrees.

Despite the cold, Miguel's golden Easter lily survived at full bloom. So did Steve's pina (pineapple) plant. The chill did not harm the flowers tucked into the earth by John Rosa, or the marble-sized green tomatoes that his brother, Harry Rosa can't wait to eat.

"At 7:15 a.m., when it was about 36 degrees outside, it was 58 degrees in here," said Guthertz. He read the thermometer which hangs from the ceiling. "At 10:30 it was 56 degrees outside and 94 degrees in here."

The team finished the project last week. They worked with wooden beams to make a door. They cut a tent flap for a vent. They watered their rows of green.

The fate of the vegetables, once ripened, has not been decided, but neighbors of the greenhouse, were invited for a look recently. During the celebration, a group of Hispanic senior citizens sold meals of arroz y habichuelas, and pernil—a typical Puerto Rican meal of rice and beans with pork. Latin music accompanied the lunch.

Meanwhile John Rosa hopes to see more green-houses in his neighborhood. "Anyone can handle it. I hope they do."

His friend Miguel added: "It's nice to have in the South End. It's nice to do this for ourselves." ●

April 22, 1980

YEARBOOK OF AGRICULTURE

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WAMPLER. Mr. Speaker, I wish to call to the attention of my colleagues in the House an article which appeared in the Wall Street Journal on April 8, 1980, which discusses the 1979 Yearbook of Agriculture.

I agree with Mr. Whitten's appraisal of the 1979 Yearbook of Agriculture. I think the times are too serious in the farm sector to be spending farmers' and taxpayers' money to provide cartoons and riddles to children from 9 to 12. Rather than asking questions in the farm yearbook such as "When do cows wear bells?" (Answer: "When their horns don't work.") I think a more sensible question should be addressed to President Carter and the Department of Agriculture as "When do we increase farm income for our troubled farmers and producers?" (My answer: "It better be soon because the farmers are in deep trouble.")

RURAL GROUPS FIND FARM AGENCY'S BOOK ON FOOD UNPALATABLE

THEY SAY A YEARBOOK AIMED AT KIDS IS TOO CITIFIED: A TALK WITH MR. SOYBEAN

(By Richard L. Hudson)

WASHINGTON.—Once upon a time, some wise men in King Carter's court decided to write a children's book.

The book would teach good girls and boys throughout the land all about food and how it is grown. But it would also be a fun book. So they filled it with cartoons and riddles, like, "When do cows wear bells?" (Answer: "When their horns don't work.")

The wise men, who worked in the Agriculture Department, were quite pleased when their book was done. But it started an awful fuss. Farmers complained. Food merchants grumbled. Lawmakers made speeches, calling the book a waste of money. "A serious mistake," declared Rep. Jamie Whitten, the congressional lord who helps watch the department's allowance.

The department's prince, Secretary Bob Bergland, defended the book. "We thought it would be interesting and a lot of fun to do something different for a change," he said at a hearing in Mr. Whitten's legislative chamber.

Bah! growled Mr. Whitten. "Mr. Secretary," he said, "times are too serious for us to spend farmers' money to give you a good time and let you have lots of fun." And he threatened to tie strings to Mr. Bergland's purse.

Grim though our story is, it is no fairy tale. In February, the Agriculture Department published, as its 1979 yearbook, a 142-page paperback called "What's to Eat? And Other Questions Kids Ask About Food." Designed for children nine to 12, the book aims to teach city kids where their supermarket food comes from. But it also is providing an education on a battle between two powerful groups of adults for influence over the nation's food policies.

"Bureaucratic Tomfoolery"

Consumer and urban groups generally give the book rave notices. Michael Jacobson, executive director of the Center for Science in the Public Interest, says it is a sign that the Agriculture Department "is finally moving into the 20th Century." A spokes-

man for the Children's Foundation, which has lobbied for child-nutrition programs, says the book "is so great that we're going to review it in our newsletter and recommend it."

But the rural and food-producing interests that once dominated the Agriculture Department don't cotton to the yearbook at all. Some think it is patronizing to farmers. Edward Anderson, master of the National Grange, says the book shows the department "is getting much too consumer-oriented." And the zippy, Sesame Street-style book is described by Arizona Sen. Barry Goldwater as "bureaucratic tomfoolery."

What may be heightening the irritation of some farm-state members of Congress is the loss of a prize perk of incumbency. Some legislators annually create a lot of good will among voters by giving away hundreds of Agriculture Department yearbooks. But this year, some legislators have dashed off letters to the folks back home panning the book and urging people not to order it.

Everyone agrees the 1979 yearbook is different. In past years, the department often put out technical tomes on farming with titles like "Soil" or "Insects." The new one is a brightly colored, sprightly written compendium of farm jokes, food games and educational articles on farming, shopping and nutrition.

Down "Digestion Road"

"What is the correct way to thaw frozen meat?" the book asks, offering as answers "A. Use your hair dryer. B. Sit on it. C. Put it in the refrigerator." A section on the history of food is entitled "Did Prehistoric Kids Really Eat Bugs?" It advises that, thousands of years ago, "insects were a favorite food."

To teach children where bread comes from, the book includes a colorful four-page spread on wheat farming and milling. Mr. Supermarket, a butterball grocer in leotards and a cape, shows how to shop wisely, while Barbara Video has an exclusive interview with Mr. Soybean. At one point the book tells its young readers to "fasten your seat belts" for an explanatory trip down "the digestion road."

"It's really a neat book for kids," concludes Mary Jane Anderson, a specialist on children's books for the American Library Association.

The idea for the book came to its editor, deputy Assistant Agriculture Secretary Edwin Goodpaster, early in 1978. He was sitting in his office pondering some of the ponderous yearbooks the agency has put out since 1894 as a required part of its annual report to Congress. He decided to liven things up, treating a basic agricultural subject (food) but addressing it to city kids "who don't know where their food comes from." Two years and \$588,000 later, the department's governmental and public-affairs office completed its opus.

Some urban members of Congress are delighted with the results. They can't get enough of the books to give their constituents. About 294,000 yearbooks have been published for distribution free by legislators or for sale by the Government Printing Office at \$4.50.

RURAL GROUPS FIND FARM AGENCY'S BOOK ON FOOD UNPALATABLE

But the pertinent statute says the department's yearbook should be "specially suited to interest and instruct the farmers of the country"—and a lot of agricultural groups say it isn't. The Sugar Association, for instance, doesn't like the way the book tells children that "sugar is sweet but not so neat." And one member of the American Agriculture Movement, the group that organized the tractor caravans to Washington of recent years, suggests darkly that the book

is part of a "conspiracy" to "trod the farmer a little further down into the ground."

Unamused by the book's humor, Republican Rep. Virginia Smith of Nebraska huffs that farmers "can't laugh and joke all the way to the south forty and get the job done."

But leading the charge is Rep. Whitten, the Mississippi Democrat who for years has ruled agricultural budgets as chairman of the House Appropriations Committee and its agriculture subcommittee. The yearbook incensed him, and at a recent hearing on the department's 1981 budget requests, attended by Agriculture Secretary Bergland, Rep. Whitten proceeded to read aloud from the book:

"Do kids in other countries eat like me?" he read. "Will cows give chocolate milk in the future? I can see you had a whole lot of fun with this. Insects: Yum! I'm having so much fun with this, let me read some more."

But the Secretary didn't buckle. To Rep. Whitten's scornful contention that the department had become "a consumer operation," Mr. Bergland replied that the book was directed at "the 95 percent of the people in this country who don't farm. . . . Producers and consumers need to understand each other." The yearbook, he argued, is a bridge between them.

Mr. Bergland is convinced that the story of "What's to Eat?" will have a happy ending. But meanwhile, the department is planning a 1980 edition of greater interest to farmers. "Cutting Energy Costs," it will be called.

Mr. Goodpaster, the editor of the "What's to Eat?" yearbook, sums up the urban-rural controversy over it with a sigh. The book, he says, "got caught in some forces larger than it."

REV. HOMER K. RHINESMITH

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

Mr. WOLFF. Mr. Speaker, it is my pleasure to call to the attention of this Congress and our Nation the accomplishments and achievements of Rev. Homer K. Rhinesmith, who is retiring after 39 years of love and leadership for the Westbury United Methodist Church. When he retires in June of 1980, Reverend Rhinesmith will have served one of the longest and most continuous ministries in the history of the Methodist denomination in America. He led his congregation through the turbulent years of the Second World War and has remained a source of inspiration and guidance until the present day.

Indeed, Mr. Speaker, in these times when our Nation seeks direction and leadership, the contributions of Reverend Rhinesmith and his wife, Winifred, are highly valued not only by the grateful people of his congregation but by the entire community. The example he has set for his fellow citizens should be emulated by every citizen in every profession in every community. Our Nation would certainly benefit from the contributions of more outstanding citizens such as Reverend Rhinesmith and his devoted wife.

I have spoken on the floor of the House of Representatives on many occasions on behalf of the interests and concerns of the village of Westbury and the other communities of my congressional district. It is indeed a particular pleasure for me to speak of the great contributions of one of our leading citizens in calling the attention of the Congress to the dedication of Rev. Homer K. Rhinesmith.

HEARINGS ON EQUAL ACCESS TO JUSTICE ACT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

Mr. KASTENMEIER. Mr. Speaker, on March 21, I announced through a press release that the subcommittee which I chair would begin hearings on the Equal Access to Justice Act (S. 265) commencing on May 20. Since the press release had a limited distribution, I would like to formally announce these important hearings.

The Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the House Committee on the Judiciary has had the opportunity to review legislation expanding the liability of losing parties for attorneys' fees during the 94th and 95th Congresses. The impetus for these hearings was the Supreme Court's decision in 1975 in the case of the *Alyeska Pipeline Service Co. v. Wilderness Society*, 421 U.S. 240 (1975). In that case, the powers of the Federal courts to award attorneys' fees were severely limited. Subsequent to that case, there was an increased need for clear statutory authority to award fees in appropriate cases. During the 94th Congress, we enacted into law a bill, Public Law 94-559, which provided for attorneys' fees in civil rights and IRS tax cases, the areas in which the need was considered most critical.

During the 96th Congress, concern has been expressed that the United States should be generally made more liable as a losing party in civil suits and administrative proceedings. S. 265, the Equal Access to Justice Act, which passed the Senate during this Congress, would expand the liability of the United States as a losing party. Parties eligible to recover fees would include individuals whose net worth is less than \$1 million, and sole owners of incorporated businesses, partnerships, corporations, associations, or other organizations whose net worth is less than \$5 million. An amendment was added on the Senate floor which would make agricultural cooperatives eligible for recovery of attorneys' fees regardless of size.

My subcommittee will commence hearings on S. 265 and related bills—H.R. 2846, 6336, 6423, and 6429—on May 20. Two or three days of hearings are anticipated. Interested persons or groups who would like to submit writ-

ten testimony or who would like to be considered for oral presentations should contact the subcommittee at 225-3926.●

RAILROADS IN A CRISIS

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. HARKIN. Mr. Speaker, today I am introducing the Railroad Rehabilitation Bonding Act of 1980. This bill would allow States to offer tax-exempt industrial development bonds to purchase, repair, and upgrade needed rail lines.

Our Nation's rail service has been in serious decline for decades. Last year, two large railroads, long under bankruptcy, collapsed in rapid order. The Rock Island Railroad is being completely liquidated and the Milwaukee Railroad will be reduced, at best, to a small core. The effects on a large part of the country have been and continue to be severe. Farmers, industry, railroad employees, and the entire economy of a number of States have been severely affected. Along many lines, 100 miles at a stretch, tracks are embargoed with no trains in operation. Hundreds of small businesses face bankruptcy and many towns face economic stagnation.

Railroads are now being asked to decide what portions of the Rock Island and Milwaukee they would like to purchase. The railroad industry is critically short of capital. Comparatively healthy railroads are operating at well below a reasonable return. In 1979 railroads averaged only a 2.6-percent return on investment. Adding to the problem are the high rate of interest, the tight credit situation, and the beginning of a recession. This is perhaps the worst time to seek private capitalization of major railroad projects.

For decades, laws and regulations made abandonment of track and rate increases very difficult. Under the 1976 Railroad Revitalization and Regulatory Reform (4R) Act, procedures were streamlined. A rational procedure for abandonment of rail lines was created. The Rock Island and Milwaukee Railroads represent 43 percent of Iowa's remaining track. A large proportion of that trackage is threatened with abandonment not because it meets the criteria of the act nor because no railroad is willing to run it. Abandonment may occur because of a lack of money for purchase.

Beyond the immediate crisis with the Rock Island and the Milwaukee, many other lines are also in serious difficulty. A large number of major railroads are deferring maintenance. Tens of thousands of miles of track are under "slow orders" across the country. This damages the railroads' ability to provide fuel-efficient and

competitively priced service. Clearly, this is a national problem.

In a decade, we will see a very different picture. I expect that the regulatory restraints will be considerably relaxed. The increased price of oil will benefit the railroads. They will gain because of increased traffic in coal and because their cost advantage over trucks will rise dramatically. We are likely to see healthy railroads. However, we must act now to avoid the loss of valuable portions of our present rail network which may occur in the next few years.

The Federal Railroad Administration has significant funds to provide loans. However, it is only a fraction of what is needed. At this point, more than half a dozen States are seriously looking at legislation to provide additional funding to assist in the purchase and rehabilitation of rail lines. They are acting because they understand that railroads are important to their economies. It is ironic that at the very time when we are talking about the need to conserve energy, we may be abandoning significant portions of our most energy efficient transportation system.

The legislation which I am introducing allows States to issue industrial revenue bonds which are tax exempt for the purpose of rehabilitation, or purchase, of rail lines. Under present law, tax exempt status has been granted for such bonds issued for a wide range of purposes, including airports, docks, commuting facilities, sports facilities, and certain family housing.

Specifically, it amends title 26, section 103(b) of the United States Code by adding to the list of tax exempt facilities those obligations issued to finance the purchase, repair, and construction of rail facilities, including rail beds, trackage, depots, and switching and signaling equipment. It would not provide a tax exemption for bonds used to purchase rolling stock. The bill is a companion bill to S. 2486, introduced by Senator JOHN CULVER of Iowa.

Clearly, the preservation of railroads is a crucial public need. States can develop local programs to assist in the effort to preserve and maintain our rail network. The State of Iowa has developed an excellent program which has resulted in the rehabilitation of over 800 miles of track over the last 6 years. This has been accomplished through an innovative procedure by which the railroad, the shippers, and the State each provide one-third of the cost. The railroad then repays the shippers on the basis of a flat rate for each car used. Once the shippers are paid back, the State's share is repaid in the same manner. Through this mechanism, with shippers investing their own funds, the State is assured that the shippers and the railroad both believe that the trackage is viable and will support the effort. This is a fine example of the kinds of programs which can be developed at the State level.

In conclusion, Mr. Speaker, I believe that this bill can play a major role in the preservation of important lines endangered by the demise of the Rock Island and Milwaukee systems in the rehabilitation of rail lines throughout the country.●

ISRAELI INDEPENDENCE DAY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WOLFF. Mr. Speaker, I rise in order to recognize Israel's 32d independence day, which was celebrated yesterday, April 21. Yom Ha'atzmaut is a joyous occasion for the Jewish people, in America as well as in Israel, because it reaffirms our belief in the necessity of a Jewish state.

What is remarkable is that the modern State of Israel is only 32 years old. In that short time, the Israelis have transformed a desert wasteland into rich farmland which produces every variety of agricultural crop one could possibly imagine. Most of this food is exported to Europe, and in fact, Israel has become one of the leading nations in trade with Europe.

At the same time, Israel has developed a model government based on the British parliamentary system. This government stands today as the only real democracy in the Middle East, and one of the few remaining democracies in the entire world. Given Israel's age, this accomplishment is truly remarkable.

I believe that we in the United States must make certain that Israel can celebrate its 33d anniversary next year, its 50th anniversary in 1998, and its centennial year in 2048. Israel can only hope to do so with our continued support. For otherwise she will undoubtedly perish at the hands of hostile neighbors. Our support must come in the form of a guarantee for Israel's security. It cannot come through pressuring Israel into relinquishing territory which is vital to her very existence. We must realize that a strong Israel is in America's best security interest.●

CBO AND THE BATTLE OF THE BUDGET

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, the Congressional Budget Office was conceived as a nonpartisan operation. Its chief service, though, has been to find scientific justifications for undisci-

plined spending and massive deficits. Where the budget process was to usher in reforms meant to control congressional expenditures it is apparent that those reforms were procedural only. The chaos of the pre-Budget Act days has been institutionalized while results remain the same.

One of the great hopes held by those who greeted this new process was that the Budget Committees could at last control Congress appetite for spending tax dollars. With fiscal liberals and conservatives pitted against one another assisted by a third party, nonpartisan CBO that would provide expert analysis on the impact of any proposal, the budget battle would be fierce but fair. The end result would be an amalgamation of differing economic viewpoints.

Unfortunately, the budget process' greatest achievement has been to present consensus in terms of ostensible controversy. Any real challenge to the big-spending mentality is apparently not even tolerated, much less explored. So long as the Budget Committees maintain the Keynesian philosophy that government seizure of capital and its subsequent redistribution will create demand which will then magically create supply from thin air, the CBO is more than happy to provide support. Let a "supply side" advocate urge that tax cuts be explored and he is "stonewalled."

The following article by Rowland Evans and Robert Novak presents a side of the CBO that none of us like to see, but one that demands further examination:

BACKSTAGE AT THE BUDGET COMMITTEE

Sen. Edmund S. Muskie stalked from his own Senate Budget Committee's April 3 session for good reason: his lavishly overpraised "budget process" had just been exposed as deeply partisan.

Muskie exploded when his hairshirt on the committee, Utah's freshman Republican Sen. Orrin Hatch, revealed an intimate aide's six-month-old memo to Muskie that exploded pretensions of neutral objectivity in the new congressional budget process. It laid bare backstage maneuvers between Muskie's Budget Committee staff and the supposedly nonpartisan Congressional Budget Office, intended to smother uncongenial ideas.

The most uncongenial idea around is that tax reduction can generate economic growth without inflation. The congressional budgetary machinery fiercely resists such anti-Keynesian heresy. Accordingly, Hatch last fall pressed for Budget Committee hearings to determine whether prestigious CBO Director Alice Rivlin was using outmoded economic forecasting models that obscured tax reduction's economic benefits.

Advice to Muskie came from a long-time trusted aide: John McAvoy, Budget Committee staff director. "Alice doesn't really want to have hearings," McAvoy told Muskie in an Oct. 4 memo, "and would like us to put Hatch off somehow. She says . . . that the critics of the models CBO uses for forecasting are an extreme right-wing clique who should not be given an audience, lest it legitimize their views and give Hatch a forum which ought to be denied him if we could."

A few days earlier, Hatch got the opposite impression from Rivlin, and wrote Muskie Sept. 27 saying that he thought she considered his proposed hearings "a valuable exercise." In fact, Rivlin wanted to stack any such hearings. "If we are to hold hearings," said McAvoy's memo, "Alice believes that they should involve noted economists telling the committee that Hatch's witnesses are wrong."

Such manipulation might shock admirers who call the budget a rare triumph of congressional reform in tempering Capitol Hill's spending excesses. In fact, the system has worked to depress military spending, preserve social welfare programs and stave off tax reduction; budgets, if balanced, would be balanced at a high level with no trimming of the welfare state.

This reality has been hidden in the Senate by the cozy arrangement between Muskie and the Budget Committee's senior Republican, Sen. Henry Bellmon of Oklahoma. But newcomer Hatch has been blowing the whistle in what McAvoy's memo called a "vindictive campaign against the process." By his critique of Muskie's budget operations published in Barron's magazine, said McAvoy, Hatch "puts himself beyond the pale."

During last year's Budget Committee consideration of defense spending, Hatch sniped at the committee staff's presentation—especially a chart seeming to show NATO considerably stronger than the Warsaw Pact. During the congressional recess, Hatch visited Europe to reconfirm the well-known deplorable condition of the Western alliance.

So, Hatch complained at the Budget Committee session April 2 when the committee staff's summary of the previous year's hearings included that ludicrous NATO-Warsaw Pact chart, immediately following printed testimony of eminently non-dovish defense expert Edward Luttwak. It was "as though Dr. Luttwak was supportive of the charts," complained Hatch, who called it all "totally misleading."

Ed Muskie erupted. "Paranoid, conspiratorial," he shouted at Hatch. It was a bad day for the chairman. His committee raised defense spending limits against his wishes, leading Muskie to declare that now "I don't have to look for added [domestic] cuts."

The last straw came the next day when Hatch revealed the McAvoy memo, which he said came to him in an unmarked envelope presumably from a "mole" on Muskie's staff. Although McAvoy last October told Muskie, "I do not see how we can deny Hatch the hearing without giving him another cause of complaint about the committee and a chance to allege that we are covering up CBO's deficiencies," Muskie is made of sterner stuff. He denied it.

But Orrin Hatch is one senator who does not flinch under Muskie's assault. Immediately after their April 3 shouting match, he wrote Muskie renewing his request for hearings on economic models and gave it a presidential-year backspin: "Frankly, the Kemp-Roth tax reduction proposals that Gov. Reagan has not made part of his campaign program need to be examined by the kind of task force I have requested."

The last redoubt of Keynesianism is not anxious to validate supply-side tax theories of a Republican presidential contender. But if the budget process truly were a standard of professional objectivity as advertised, Dr. Rivlin would be out front asking whether tax reduction truly could point toward controlling inflation without crippling the economy. ●

SALISBURY (MD.) TIMES SAYS:
"WE NEED A PRESIDENT WHO
ISN'T AFRAID"

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BAUMAN. Mr. Speaker, there is a growing sense of urgency and frustration among Americans over President Carter's ineffective handling of the Iranian hostage situation. That frustration is shown by a recent Washington Post poll which found fully 55 percent of those polled to be in favor of some kind of military action.

The bewilderment and anger Americans are feeling over this continuing nightmare is well justified in light of the actions pursued by the President since November 4. By a series of mild reproofs and lack of action, Mr. Carter has, as the Salisbury, Md., Sunday Times points out, "brought America to the point where she has been backed into a corner." The far-reaching damage this implies will be felt for years to come, as Editor Mel Toadvine points out.

Preliminary signals of actual support from our allies are finally filtering into Washington. There is still question as to the coherency of the Carter administration's efforts, and the punitive measures the President mentioned earlier are woefully overdue. As the Sunday Times accurately notes: "The first step now is to show strong leadership and order a blockade and be ready to take whatever action is needed in the course of that blockade."

I include for entry in the RECORD that editorial from the Salisbury, Md., Sunday Times of April 13, entitled "The Iranian Crisis."

THE IRANIAN CRISIS

By now most Americans must be wondering what it will take before President Carter takes some form of action against Iran and obtain the freedom of the 53 hostages.

Since November, the President has hinted of punitive action against Iran from time to time. Economic sanctions have been ordered against Iran. The world's highest court some months ago ruled that the Iranian government was wrong in allowing its militant students to hold American hostages. Several countries through the United Nations agreed that Iran was guilty of wrongdoings.

The unstable government of the Ayatollah Khomeini has intimidated the U.S. government over and over again. It would appear that the President of the United States must take drastic action unless he intends to leave the hostages in Iran for an undetermined span of time.

When Carter ordered Iranian diplomats out of this country and new economic sanctions against the Iranian government last week, certain options were left open for more drastic action if the hostages were not released in what the president termed "promptly."

Now is the time for Carter to take that action that he continues to toy with in threats. A naval blockade of the country is in order. America must show that it will not tolerate any longer the unlawful acts of an-

other nation. Enough restraint has been shown.

It's always easier to look back and say what we should have done. But in the case of a national leader, that should not have to be the case.

Carter's inability apparently to deal with the crisis in November has brought America to the point where she has been backed into a corner. How many corners will the people be backed into before action is taken?

Carter surely knows that responsible governments in the world cannot deal with terrorism. If he doesn't know it yet, perhaps he should study the actions of the Israelis and how they have dealt with terrorism . . . the most recent only a week ago.

How long would the Soviets have allowed any small nation like Iran to hold its diplomats as hostages? Not as long as the Americans have.

As the commander in chief of the United States, Carter should have taken military action immediately on November 4 to free the hostages.

What's left now for the U.S.? The militant students say they'll kill the hostages if America makes one move militarily. We shouldn't be intimidated. The first step now is to show strong leadership and order a blockade and be ready to take whatever action that is needed in the course of that blockade.

If it means military action and Iran leaves us no other choice, we need a President who isn't afraid to use it. ●

THE MITCHELL HUMAN NEEDS BUDGET ALTERNATIVE

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MITCHELL of Maryland. Mr. Speaker, the Mitchell human needs budget alternative is a necessary alternative to the insensitive budget recommendations of both the President and the House Budget Committee. This viable, alternative budget resolution focuses on the long-term growth potential of the U.S. economy rather than the politically expedient arguments of deficit politics and balanced budgets as reflected on both the President's and House Budget Committee's recommendations.

When I accepted the challenge of serving on this committee, in its embryonic stages of development, I assumed the responsibility of interpreting the legislative intent of this committee by suggesting that we plan Federal spending in the out years. I made every effort to promote the untapped productive labor resources of our youth by stressing the need for comprehensive skill development initiatives and jobs for our unemployed, frustrated teenagers who are concentrated in the urban cities. Every year I sponsored amendments to insure that the poor and elderly, who survive on index-modified cost-of-living transfer payments, were protected against the perils of inflation. I was truly enthused by the spirit and intent of the act—which was to bring Federal spending under control—while observing the stated purpose of “establishing

national priorities.” I submit that the committee has been less than successful both in its responsibility to “control the budgetary process” and “in its charter to establish budget priorities.”

In comparing a historically high \$66.4 billion deficit and a concomitant 9.2 percent national unemployment rate in the fiscal year 1976 budget; with a budget surplus with an accompanying 7.5 percent unemployment rate predicted for fiscal year 1981, one might consider the committee's action a success. I assess the committee's action as one of political expediency with little to no regard for the longrun economic effects of such political actions. The budget resolution of this committee will serve only one function; it will be a signal to Wall Street profit takers to make 1 or perhaps 2 days of high margins because the market will use the psychology of deficits politics to stabilize the market for perhaps 2 days. That is the only discernible benefit of a balanced budget which supports the fact that more than 7 million Americans will be unemployed. I defy anyone to validate to me the correlation of a \$20 billion budget deficit and 19 percent inflation. The budget deficit amounts to no more than a rounding error in a \$2.5 trillion economy. The responsibility of this committee is to establish national priorities. Of primary consideration in establishing national priorities are: The longrun problems of unemployment, inflation, and lackluster, lagging productivity. These problems will not be addressed with a balanced budget.

If you quickly review this disgraceful budget you will notice that 75 percent of the budget is relatively uncontrollable. Of the remaining \$154 billion, termed discretionary outlays, \$92 billion is allocated to the sacrosanct military budget for military and civilian pay; operation and maintenance; research and development and procurement costs. This leaves \$61.6 billion remaining that is seemingly the topic of the “balanced budget.”

These are the human survival programs such as education, training, employment, health, housing, and programs targeted for the elderly, youth, and the handicapped. There are even proposals to reduce the checks of fixed-income recipients by changing the index formula. These are the programs that are victims of this Budget Committee's budget resolution. While the law preserves the integrity of the permanent appropriations and appropriation entitlements, the military industrial complex uses any and everything except integrity to lobby for increases in the military function. In spite of or perhaps because of international negotiations, the human survival programs make themselves vulnerable to the ill-fated balanced budget dogma.

Mr. Speaker, this budget resolution is a clear indication that there has been little planning to address the long-term structural problems of the economy. This committee has the stat-

utory responsibility to provide oversight on revenues, tax expenditures, and spending. Effectively that means that the chairman and members of this committee have the responsibility of distributing and redistributing wealth. To do so without a short-term and long-term goal is to act without regard to principle or objectives. How does this budget address the problem of inflation caused by rampant oil price increases and excess profits? What does this insensitive budget do to correct the problems of low labor productivity caused by unskilled and untrained workers concentrated in our inner cities? Where is the planning in this budget which addresses the demographic fact that 42 percent of Hispanics, 39 percent of blacks, and only 7.6 percent of whites are less than 18 years of age, thus indicating that the youth or teenage unemployment problem of 1980 will soon translate into a minority teenage problem throughout this decade? How does this budget address the fact that 19-percent interest rates charged to small and particularly black-owned businesses will dictate the failure of 20 percent of these businesses within the next 2 years? These are all issues of national priority, long-term growth, and productivity that are not addressed in this budget submission nor in the current principles of the Democratic Party.

Mr. Speaker, the human needs budget alternative addresses the long-term economic goals that are omitted through political expediency of the congressional budget process as exemplified by the House concurrent budget resolution. Of particular significance is the fact that the human needs alternative addresses the needs of the cities by providing an additional \$1.1 billion in funding above the Budget Committee recommendation. This increase can be used to meet the program needs of the community development block grants, the urban development action grants, general revenue sharing, and/or antirecession fiscal assistance, all of which were drastically reduced by the House Budget Committee. It is important to recognize that decreases in Federal assistance to fiscally strapped municipalities forces the municipalities to either increase the highly regressive sales tax, generate additional revenues through income or property taxes, or reduce the already marginal services provided. Because of high unemployment and inflation, as supported in the House Budget Committee's recommendation, additional taxes are not a viable alternative. Therefore, municipal services will be reduced further, thus rendering the inner-city urban areas as the House Budget Committee's target for long-term negative growth and physical decay. To assume that the Budget Committee recommendation has a focus of long-term planning is to assume that its intention is to target a no-growth economic policy to our major urban areas.

The Budget Committee recommendation in the education, training, employment, and social services function reflects a lack of knowledge of the demographic facts, runs counter to any long-term economic growth pattern and reflects an insensitivity to the needs of the unemployed. The Budget Committee recommendation assumes a delay in the implementation of the President's new youth initiative such that no funds will be outlayed in fiscal year 1981. This is but one of a series of assumptions that reflect an insensitivity to the problems of unemployment, particularly teenage unemployment. With the anticipated downturn of the economy, those few marginal teenage laborers who are currently employed will be dismissed from the employment roles. Those graduating from school this year, who will be actively seeking work, will be victimized by cyclical trough. And finally, there are those who have been actively seeking full-time employment for as long as 3 years who will continue in their job search. How, with the combination of events that spell economic disaster for the youth of this country, can we assume and by doing so sanction the Congress inability to act expeditiously? The human needs amendment assumes a responsible Congress, and thus assumes enactment of the legislation for fiscal year 1981.

Because of an inability of the budget to address the longrun problems of the economy, the committee endorsed a policy to randomly reduce the discretionary education and training programs by \$4.2 billion in budget authority and \$0.5 billion in outlay below the President's low budget request. The effect of this reduction shows no planning or ability to "establish national priorities." One of the major factors in escalating labor costs is the short supply of highly skilled labor. Documents point to the fact that the Federal student loan programs and federally assisted skill development programs are the major access vehicles for the structurally poor to obtain labor force skills in America. Longrun labor productivity and adequate labor supply rest solely with the access of the poor to the productivity generating programs that were discriminately reduced by the committee. The human needs amendment makes an effort to address this skill development gap by providing a \$200 million allocation for a new youth education-employment initiative. In so doing we encourage an expeditious and responsible Congress with the goal of addressing one of the basic components of longrun inflation—labor cost increases caused by the inadequate supply of skilled labor.

The human needs amendment also attempts to negate a Budget Committee reduction of \$4.2 billion in budget authority and \$0.5 billion in outlays indiscriminately termed reductions in discretionary programs. The committee assumes reductions in the basic education opportunity grant program (BEOG); title I of the Elementary and

Secondary Education Act program and the work incentive program (WIN). All of these federally assisted programs are targeted to the "economically disadvantaged" with the specific legislative intention of either providing basic remedial skills, as is the case with title I and WIN, or to assist those who heretofore have not had the opportunity to attend college with a student grant. The human needs amendment restores \$1 billion in budget authority and \$0.5 billion in outlays to meet this need.

In a period of economic instability derived from rampant inflation and the full implementation of the traditional reactionary economic vehicles used to combat inflation, the committee has assumed a reduction of 50,000 CETA title VI employment slots and the elimination of the title III welfare demonstrations. The long-term budget planning that went into that decision is beyond comprehension. How does a responsible committee project a downturn in the economy, double-digit inflation, 7½ million Americans unemployed and at the same time reduce one of the only temporary employment creating programs that was legislatively designed to address that same economic condition? That act merits reevaluation and in so doing the human needs amendment restores \$2.2 billion in budget authority and \$2.1 billion in outlays. This restoration is specifically set aside to create employment during economic downturn.

The education, training, employment, and social services function of the human needs alternative is \$1.5 billion in budget authority and \$1.1 billion in outlays above the President's reestimated budget submission and \$3.2 billion in budget authority and \$2.8 billion in outlays above the Budget Committee recommendation. The difference in the recommendations is the focus of the human needs amendment on long-term skill development and training for those who have historically served in the institution of poverty.

The income security function, as recommended by the Budget Committee, assumes a \$500 million reduction in the enacted legislation for the child nutrition program. It also assumes a \$1.1 billion legislative savings in welfare reform; a \$400 million legislative savings in food stamps; a \$600 million savings accumulated by changing the benefits of retired Federal workers; a \$200 million savings assumed in the low-income energy assistance program, and a random, indiscriminate \$100 million reduction in a category termed "remaining discretionary programs."

The human needs alternative provides an additional \$5 billion in budget authority and \$1.2 billion in outlays above the Budget Committee recommendation, to address some of the income problems caused by projected high rates of inflation and economic downturn. This increase should be

used to restore the subsistence levels of the income security programs as food stamps and welfare. The increase should also be used to fund 50,000 additional subsidized housing units. This increase would bring the total number of units to 350,000, the lowest subsidized housing goal for the last 5 years. The funding increase should target an additional \$100 million for public housing operating subsidies. One major and continuing problem of the low-rent public housing program has been the lack of resources for adequate maintenance and operation. Without this necessary increase, housing authorities will be faced with the choice of further curtailing maintenance and services or discriminating against the lowest income applicants in order to raise rental income.

The recommendation of the House Budget Committee reflects an insensitivity to the needs of people relative to the needs of the military industrial complex. The Mitchell human needs amendment makes an effort to channel resources to needs of people in direct response to the committee's projected economic downturn.

COMPARISON OF AGGREGATES, FISCAL YEARS 1980 AND 1981

(In billions of dollars)

Aggregates	Fiscal year 1980		President's request Jan. 28, 1980	Mitchell human needs alternative budget recommendation	Budget Committee recommendation
	Budget Committee recommendation	Mitchell human needs alternative budget recommendation			
Revenues.....	528.8	528.8	600.0	613.9	613.8
Budget authority..	660.2	660.2	696.1	698.0	694.6
Outlays.....	571.5	571.5	615.8	613.9	611.8
Deficit/surplus.....	-42.7	-42.7	-15.8	+2.0
Debt subject to limit.....	896.7	896.7	934.2	926.8	926.8

COMPARISON OF PRESIDENT'S BUDGET RECOMMENDATION, BUDGET COMMITTEE RECOMMENDATION, AND MITCHELL HUMAN NEEDS BUDGET ALTERNATIVE, FISCAL YEAR 1981

(In billions of dollars)

Function	President Carter (Jan. 28, 1980)		Budget Committee recommendation		Mitchell human needs alternative	
	BA	0	BA	0	BA	0
050—National defense.....	161.8	146.2	160.8	147.9	155.0	144.8
150—International affairs.....	16.9	9.6	24.0	9.6	24.0	9.6
250—General science, space, and technology.....	6.9	6.4	6.7	6.3	6.7	6.3
270—Energy.....	7.4	8.1	7.5	7.1	7.3	6.9
300—Natural resources and environment.....	13.3	12.8	12.0	12.4	12.0	12.4
350—Agriculture.....	5.5	2.8	5.4	2.3	5.4	2.3
370—Commerce and Housing credit.....	5.9	.7	5.1	-.1	5.3	.1
400—Transportation.....	23.6	20.2	22.8	19.5	22.8	19.5

COMPARISON OF PRESIDENT'S BUDGET RECOMMENDATION,
BUDGET COMMITTEE RECOMMENDATION, AND MITCHELL
HUMAN NEEDS BUDGET ALTERNATIVE, FISCAL YEAR
1981—Continued

[In billions of dollars]

Function	President Carter (Jan. 28, 1980)		Budget Committee recommendation		Mitchell human needs alternative	
	BA	0	BA	0	BA	0
450—Community and regional development.....	9.8	8.8	9.0	9.4	9.2	9.6
500—Education, training, employment, and social services.....	34.8	32.0	33.3	30.7	35.0	32.6
500—Health.....	71.5	62.4	71.5	61.8	71.5	61.8
600—Income security.....	251.5	220.0	252.1	220.1	257.9	222.2

MITCHELL HUMAN NEEDS BUDGET RECOMMENDATIONS

	First Concurrent Resolution for Fiscal Year 1981	Mitchell human needs	Mitchell over/ under house
Revenues.....	613.8	613.9	+0.1
Budget Authority.....	694.6	698.0	+3.4
Outlays.....	611.8	613.9	+2.1
Surplus.....	2.0	2.0	0.0
Debt subject to limit.....	926.8	926.8	0.0
050—National defense:			
Budget authority.....	160.8	155.0	-5.8
Outlays.....	147.9	144.8	-3.1
150—International affairs:			
Budget authority.....	24.0	24.0	0.0
Outlays.....	9.6	9.6	0.0
250—General science, space, and technology:			
Budget authority.....	6.7	6.7	0.0
Outlays.....	6.3	6.3	0.0
270—Energy:			
Budget authority.....	7.5	7.3	-0.2
Outlays.....	7.1	6.9	-0.2
300—Natural resources and environment:			
Budget authority.....	12.0	12.0	0.0
Outlays.....	12.4	12.4	0.0
350—Agriculture:			
Budget authority.....	5.4	5.4	0.0
Outlays.....	2.3	2.3	0.0
370—Commerce and housing credit:			
Budget authority.....	5.1	5.3	+0.2
Outlays.....	-0.1	0.1	+0.2
400—Transportation:			
Budget authority.....	22.8	22.8	0.0
Outlays.....	19.5	19.5	0.0
450—Community and regional development:			
Budget authority.....	9.0	9.2	+0.2
Outlays.....	9.4	9.6	+0.2
500—Education, training, employment, and social services:			
Budget authority.....	33.3	35.0	+1.7
Outlays.....	30.7	32.6	+1.9
550—Health:			
Budget authority.....	71.5	71.5	0.0
Outlays.....	61.8	61.8	0.0
600—Income security:			
Budget authority.....	252.1	257.9	+5.8
Outlays.....	220.1	222.2	+2.1
700—Veterans benefits and services:			
Budget authority.....	21.7	21.7	0.0
Outlays.....	21.2	21.2	0.0
750—Administration of justice:			
Budget authority.....	4.2	4.7	+0.5
Outlays.....	4.6	4.7	+0.1
800—General government:			
Budget authority.....	4.7	4.7	0.0
Outlays.....	4.6	4.6	0.0
850—General purpose fiscal assistance:			
Budget authority.....	6.2	7.2	+1.0
Outlays.....	6.8	7.7	+0.9
900—Interest:			
Budget authority.....	72.2	72.2	0.0
Outlays.....	72.2	72.2	0.0
920—Allowances:			
Budget authority.....			
Outlays.....			
950—Undistributed offsetting receipts:			
Budget authority.....	-24.6	-24.6	0.0
Outlays.....	-24.6	-24.6	0.0

MITCHELL HUMAN NEEDS BALANCED BUDGET ALTERNATIVE
IN COMPARISON TO H. CON. RES. 307

Function and action	Budget authority	Outlays
050—MX program.....	-1.0	-1.0
Reductions in procurement programs.....	-3.2	-1.2
Reductions in nonprocurement programs.....	-0.9	-0.4
Reductions in forces.....	-0.7	-0.5
Subtotal.....	-5.8	-3.1

Function and action	Budget authority	Outlays
270—Energy regulatory, supply and State planning activity.....	-0.2	-0.2
370—National Consumer Co-op Bank.....	+0.1	+0.1
SBA direct loan assistance.....	+0.1	+0.1
Subtotal.....	+0.2	+0.2
450—CD block grants.....	+0.1	+0.1
Discretionary development and assistance programs.....	+0.1	+0.1
Subtotal.....	+0.2	+0.2

Function and action	Budget authority	Outlays
500—Higher education.....	+0.2	+0.2
Youth education-employment initiative.....		+0.2
CETA.....	+1.0	+1.0
Discretionary programs.....	+0.5	+0.5
Subtotal.....	+1.7	+1.9
600—Welfare reform.....	+1.1	+1.1
Food stamps.....	+0.4	+0.4
Low-income energy assistance.....	+0.2	+0.2
Child nutrition.....	+0.1	+0.1
Unemployment benefits to former CETA workers.....	+0.2	+0.2
Discretionary programs.....	+0.1	+0.1
54,500 additional section 8 units (new and existing).....	+3.7	
Subtotal.....	+5.8	+2.1
750—LEAA.....	+0.5	+0.1
850—Antirecession fiscal assistance initiative.....	+1.0	+0.9
Total.....	+3.4	+2.1

TAX EXPENDITURES FOR ADDITIONAL REVENUE

	Fiscal year—		
	1981	1982	1983
1. Exclusion of income earned abroad by U.S. citizens.....	600	645	695
2. Deferral of income of controlled foreign corporations.....	480	520	560
3. Expensing of research and development expenditures:			
Corporate.....	1,980	2,230	2,490
Individual.....	40	45	50
4a. Exclusion of interest on State and local government pollution control bonds:			
Corporate.....	245	270	295
Individual.....	265	290	320
b. Exclusion of interest on State and local industrial development bonds:			
Corporate.....	335	395	455
Individual.....	360	430	490
c. Exclusion of interest on State and local housing bonds:			
Corporate.....	975	1,320	1,715
Individual.....	200	270	350
d. Exclusion of interest on general purpose State and local debt:			
Corporate.....	3,900	4,335	4,815
Individual.....	2,625	2,915	3,240
5. Capital gains treatment of certain timber income:			
Corporate.....	400	440	485
Individual.....	115	125	140
6. Capital gains treatment of royalties on coal:			
Corporate.....	10	10	15
Individual.....	90	100	110
7. Capital gains treatment of iron ore:			
Corporate.....	10	10	10
Individual.....	10	10	10
8. Exemption of credit union income.....	115	125	140
9. Excess bad debt reserves of financial institutions.....	965	1,015	1,090

MITCHELL HUMAN NEEDS REVENUE RECOMMENDATION—
FISCAL YEAR 1981 BUDGET

[In billions of dollars]

	President's January budget	Committee Recommendation	Mitchell human needs
Current law receipts.....	\$579.0	\$588.6	\$588.6
Major tax proposals:			
1. Windfall profit tax.....	+13.7	+18.0	+18.0
2. Cash management initiatives.....	+4.5	+2.6	+2.6
3. Restrictions on tax exempt housing bonds.....	+8	+4	+4
4. Railroad retirement taxes.....	+3	+3	+3
5. Airport and airway trust fund.....	+2	+2	+2
6. Oil and hazardous substances cleanup fee.....	+2	+1	+1
7. Limits on foreign tax credit for oil and gas extraction.....	+7		
8. Independent contractors withholding.....	+6		
9. Receipts from increased IRS audits.....		+3	+3
10. Miscellaneous tax cuts for ways and means flexibility.....		-1	
11. Import fees on oil imposed by the President.....		+10.3	+10.3
12. Productivity or anti-inflationary tax cut if the budget stays in balance.....		-10.3	(*)
13. Withholding on interest and dividends.....		+3.4	+3.4
14. Increase in waterway fees.....			
15. Social Security Rollover:			
(a) Loss due to rollover in tax rate to 12.25 percent.....			-9.2
(b) Increase due to earnings base-calling increase to \$35,400.....			+2.4

MITCHELL HUMAN NEEDS REVENUE RECOMMENDATION—
FISCAL YEAR 1981 BUDGET—Continued

(In billions of dollars)

	President's January budget	Committee Recommendation	Mitchell human needs
16. Revenue raising proposal to rid inflationary growth tax expenditures.....			+2.5
17. Targeted productivity tax cut of \$8 billion effective Jan. 1, 1981.....			-6.0
Total recommendation.....	600.0	613.8	613.9

* Sec. 17.

CREDIT BUDGET PROPOSALS—FISCAL YEAR 1981

(In billions of dollars)

	President's January budget	House Budget Committee	Mitchell human needs
Credit budget (new direct loans obligations):			
On-budget agencies.....	\$35.4	\$35.3	\$35.5
Off-budget agencies.....	25.3	25.3	25.3
Total, new direct loan obli- gations.....	60.7	60.6	60.8
New loan guarantee commit- ments.....	81.4	79.6	81.4
Total, credit budget.....	142.1	140.2	142.2
Proposed appropriations limitations:			
New direct loan obligation.....	27.2	60.6	60.8
New loan guarantee commit- ments.....	32.5	79.6	81.4
Limitation on secondary guaran- tees of direct loans by an- other agency.....		79.9	79.9
Total, proposed limitations...	59.7	218.1	222.1

CREDIT BUDGET

The Human Needs Credit Budget re-
stores the following Budget Commit-
tee reductions:

One, reductions of \$0.5 billion in
1981 in business development and
medium-income housing loan guaran-
tee commitments by the Farmers
Home Administration.

Two, reductions of \$0.8 billion in
1981 economic development loan guar-
antee commitments in the Economic
Development Administration.

Three, reductions of \$0.5 billion in
1981 small business guarantee commit-
ments in the Small Business Adminis-
tration.

Four, reductions of \$0.1 billion in
1981 national consumer co-op bank.

Five, reduction of \$0.1 billion in 1981
Small Business Administration direct
loan assistance.●

FARMERS FEELING CRUNCH

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WAMPLER. Mr. Speaker, I
wish to call to the attention of my col-
leagues an article which appeared in
the Wall Street Journal on April 7,
1980, discussing the credit crunch the
farm sector is going through as they
approach spring planting.

Mr. Speaker, the farm sector is in
deep financial trouble. The article in
the Wall Street Journal does not over-

EXTENSIONS OF REMARKS

state the case from what farmers and
farm groups are telling us:

CREDIT DROUGHT LEAVES FARMERS SHORT OF
CASH FOR SPRING PLANTINGS

(By Meg Cox)

LENOX, IOWA.—On a chilly spring after-
noon, 35-year-old David Schweers is selling
out of farming. Gathered around the auc-
tioneer and the neat lines of farm equip-
ment are 150 neighbors who have come not
so much to buy anything as to judge for
themselves how bad things are.

Much of the machinery sells for less than
Mr. Schweers had hoped. His biggest John
Deere tractor can't find a buyer at all, even
after he offers to finance it himself at 12%
interest.

Mr. Schweers's neighbors have little in-
centive to buy here; there has been a sale of
a farmer's machinery almost every day for
several weeks in this area of southwestern
Iowa, and often eight or nine on Saturdays.
The reason for the auction-goers' stinginess
is also a major cause of this deluge of sell-
outs: a severe farm credit crunch.

Some of those quitting farming were poor
managers. And there are still plenty of land-
rich farmers whose greatest pinch this year
will be cutting back on buying new machin-
ery. But other farmers are forced to sell out
simply because they couldn't borrow
enough of a limited supply of money to put
in a crop this year.

And some, like Mr. Schweers, just figure
they are "getting out while the getting's
good." They could get money, but the inter-
est cost has as much as doubled in a year,
helping push the cost of producing many
farm products above the selling price.

THIS IS THE WORST

Credit is tight for everyone, as the govern-
ment tries desperately to rein in inflation.
But unlike consumers who can postpone a
new car or stereo, farmers must have money
at this time of year to plant—an average of
\$50,000 or more for fuel, fertilizers and weed
or insect killers. And most of them borrow
it.

"I've got farmers and bankers from all
over hollering at me about how they're out
of money," says James Lee, an assistant ad-
ministrator for the Farmers Home Adminis-
tration in Washington, D.C. "This is the
worst credit crunch we've ever had. It's
worse in some states than others, but I don't
know of any where it isn't critical."

It certainly has been critical at the Farm-
ers Home Administration, or FmHA. This
so-called lender of last resort, where farm-
ers turned away by banks can normally get
loans if there is any chance at all they will
pull through, recently ran out of money. It
had to wait weeks for the government to ap-
prove an extra \$2 billion in emergency loan
funds to last through fiscal 1981.

That money began trickling down to
county offices last week. Farmers who
couldn't wait, says an FmHA official near
Lenox, "had farm sales." He adds that even
some who were saved at the last moment
"may just find the agony prolonged."

OLD CUSTOMERS ONLY

Visits to all sorts of agricultural lenders in
this area show that the crunch is pervasive.
Most rural banks won't take new farm cus-
tomers, and others are restricting their serv-
ice area. At Mr. Schweers's bank in Lenox,
farmers who live more than about 10 miles
away won't get a cent this year regardless of
how credit-worthy they are.

Longtime farm customers at the Iowa
State Savings Bank in nearby Creston find
that money comes with some warnings this
year: "Don't buy any new farm equipment
or make any capital investments, even
minor ones," says Joseph Knock, president
of the bank. The bank is even asking farm-

ers to use less fertilizer this year, because its
price is up 30 percent from last year. Doing
that will cut yields, but Mr. Knock says the
bank's money is tight and cuts must be
made.

Because of the squeeze at rural banks,
more farmers than ever are pouring into
Production Credit Associations and Federal
Land Banks. The two are part of a system of
farmer-owned cooperatives and provide
short-term and long-term loans, respective-
ly. In a four-state area including Iowa, the
Federal Land Bank alone saw a 60 percent
surge in new money lent between February
1980 and a year ago, partly because of farm-
ers' efforts to spread their mounting short-
term debt over longer periods.

NO MORE CUSHION FOR BANKS

Though credit costs vary, farmers are
paying sharply higher rates in almost all
cases. With a temporary removal of state
usury ceilings by the federal government,
farmers are paying 15 percent to 18 percent
for operating loans at their local banks, up
generally from 9 percent to 10 percent a
year ago. The Production Credit Associ-
ations raise money in the bond market, so
their rate is up too; in Creston, the rate is
14.65 percent, up from 10.5 percent a year
ago.

The jump in rates at rural banks wouldn't
have been so brutal if the banks hadn't been
cushioned from increases for years, says
Marvin Duncan, economist at the Federal
Reserve Bank of Kansas City. The banks
found two things happening, Mr. Duncan
says: Farmers' credit demands have soared
in recent years, while rural savers got savvy,
putting their money elsewhere for higher
rates. For the first time, rural banks had to
look outside for funds and compete aggres-
sively for them, he says, and they had to
raise the rates on loans.

What's more, some sources of farm loans
have dried up, including insurance com-
panies. Prudential Insurance Co. of Chicago,
for example, has \$2 billion in agricultural
loans outstanding, mostly mortgages. But it
hasn't issued a new farm loan for more than
a month, and a spokesman says it won't
until the "wild interest markets" calm
down.

Even with the leap in interest rates, the
credit crunch wouldn't hurt farmers so
much if they weren't already caught in a
crunch of another sort, a cost-price squeeze.
One farmer who sold out says, "Everything
we have to buy went up and everything we
sell went down."

Net farm income is expected to drop about
25% this year from the near-record \$33 bil-
lion of 1979, the Department of Agriculture
says, while farmers' net costs are expected
to rise 20%.

Grain prices, hit in January by embargo
on exports to Russia, have been falling be-
cause of surpluses and aren't expected to re-
cover soon. Raymond Daniel, an economist
with Chase Econometrics, predicts it will
cost Midwest farmers an average of about
\$2.34 a bushel to produce corn this year,
while the price keeps sliding from the \$2.11
a bushel farmers in southwestern Iowa were
getting the day Dave Schweers sold out. Mr.
Daniel predicts that soybeans will cost
farmers \$5.75 a bushel to grow this year but
will sell in the fall at far below the current
\$5.45 or so.

Hog growers are losing up to \$15 a pig be-
cause of an oversupply of pork. And all that
cheap pork has kept consumers shunning
high-priced beef, so that many cattle feed-
ers are in the red again. Market analysts say
high interest rates are discouraging farmers
from buying more young cattle to fatten.

With almost every variety of farmer up
against hard times, it's no wonder rising in-

terest rates and scarce money are the last straw for many.

Dave Schweers's situation illustrates that. "I haven't got enough money to cover last year's expense, and all my crop is sold," he explains. "The question I asked myself is: 'Do I borrow money for last year's expenses and more to put in this year's crops at 15 percent interest, when I'm looking at a loss on every bushel?' The answer I gave myself was 'No.'"

LIVING ON WIFE'S EARNINGS

Although he's a sensible well-educated man, a Certified Public Accountant, and he didn't overextend himself by buying lots of fancy new equipment and buildings as some young farmers have, Mr. Schweers says that he "just got tired of making ends meet." If his wife hadn't worked also, as a teacher, he wouldn't have lasted this long, he says.

The gently rolling farmland of southwestern Iowa is far from the state's richest, and Mr. Schweers surmises that "if I had 400 acres in northern Iowa that was paid for, I'd probably stick this out." As it is, there are other passions to pursue; he will manage an almost-completed alcohol fuel plant that 40 local farmers have banded together to build, and he is running for the state senate.

Among the throng of men sipping coffee and swapping horror stories at Dave Schweers's farm sale are lots of grim-faced farmers who don't have the choices he does. His own father, Art Schweers, aged 60 and the father of 11, is one of them.

"I've been farming since 1942," says his dad, "and I've never seen a year as bad as this one. The bankers thought I was broke three times over the years and I never believed them, but now they've got me scared. I've got \$650,000 in net worth and I can't get any money so far to put in a crop. Trouble is, we got no cash flow, meaning we can't get more money for our products than what they cost us. I don't know what we'll do yet."

HOG DISEASE AND HAIL

Although he is the same age as Dave Schweers, 35, William Parrish isn't blessed with the same broad educational background or good prospects. Mr. Parrish was forced out of farming by inability to borrow—his auction was about 10 days before Dave Schweers's—and he hasn't the slightest idea how he will make a living now.

He had been farming 10 years and, in the last one, Mr. Parrish was growing corn and soybeans on 740 acres. In hindsight, he might not have bought the last 300 acres, he says, had he known the setbacks nature had in store for him. First his 300 sows developed disease problems, so he sold them. Then last year, hail ruined much of his soybean crop just weeks before harvest.

Because of the meager crop, he couldn't repay last year's emergency loan to the FmHA, Mr. Parrish explains. "So when I went back this year for money to plant, they said, 'No way.'"

Mr. Parrish plans to go to town now and look for a job. But "I was born and raised on a farm," he says, "and I don't know anything else."

It will be some time before the dust clears and an accounting can be made of how many farmers went down in the great credit squeeze of 1980. At least in this area, most farmers seem to be hanging onto their land and just selling the equipment, hoping they can rent the land to another farmer and farm it themselves again some day.

LAND FEVER COOLS

There's no way of telling how much land is changing hands, but it's clear the surging demand and price jumps of recent years have eased, and some farmers report land going for considerably less than its ap-

praised value. The pattern of bigger farmers swallowing up the land of smaller ones apparently is continuing.

Agriculture analysts are quick to say that the future of farming remains bright. "The retrenchment in farm income this year isn't part of a trend," says Mr. Duncan at the Fed bank in Kansas City. "The longer-term outlook for farm prices is quite favorable."

But that's little solace to those caught in the current squeeze, some of whom are not only financially but also psychologically at the end of their rope. Kenneth Wernimont, a psychotherapist at a private clinic in Waterloo, Iowa, says he is seeing case after case this spring of "severe depression" among farmers, several of whom have been hospitalized.

His patients, Mr. Wernimont explains, "say they simply can't borrow enough money and at a rate that gives them a chance to make a profit. Even farmers with many years in the business don't know what's to become of them." ●

A TRIBUTE TO THE PRINCIPLES OF ALLARD LOWENSTEIN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. STOKES. Mr. Speaker, This week, the U.S. House of Representatives is scheduled to consider two critical issues which will affect the lives of many people—the reinstitution of the draft and drastic cuts in social programs in the proposed fiscal year 1981 Federal budget. As I was reviewing the information about these measures the other day and weighing the potentially devastating impact, a man who championed these causes in Congress came to mind—the late Allard K. Lowenstein.

Many of my colleagues in the House remember Al as a maverick. I remember him as a man of great compassion and one genuinely concerned about civil and human rights and the preservation of peace throughout the world.

Both of us entered the U.S. House of Representatives the same year. I always found in him a friend and an ally on issues which affected the poor, the disadvantaged, the young, and the country's increasing attraction to military activity.

Somehow, I know that if he were in Congress today, he would fight the drastic cuts to the budget. He would fight to keep the selective service from reinstituting the draft. He would fight for better gun control laws in this country. It is a shame that Al is not with us to deliver one of those invigorating speeches he is so known for.

Many of my colleagues eulogized him in the CONGRESSIONAL RECORD at the time of his death. Probably the greatest tribute to him would be to take into account his convictions and weigh them carefully in the coming days as we vote on these issues. This is my personal tribute to Allard Lowenstein—one of the greatest men of our times.

At this time, Mr. Speaker, I will enter an article in the RECORD written

by David Broder about the convictions and philosophies of Allard K. Lowenstein:

VINTAGE LOWENSTEIN

(By David S. Broder)

"He may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates."

In what proved to be his last battle, as in so many of his earlier fights, Allard K. Lowenstein came up with a line that was so right, so funny and so barbed that you just savored it.

Representing Sen. Edward Kennedy in a surrogate's debate in Bangor, Maine, just before the February caucuses, he was talking about the folly in the war fever the Carter administration was whipping up about the Persian Gulf, about the ridiculous spectacle of national security adviser Zbigniew Brzezinski rushing over to the Pakistan-Afghan border and waiving an automatic rifle melodramatically toward the Soviet invaders.

"I expected any minute," Lowenstein jibed, "to hear him shout, 'Ich bin ein Khyber Passer.'"

I complimented him on the line when I saw him a few days later at a similar debate in New Hampshire and, looking a bit pleased with it himself, he introduced his young son, who was out campaigning with him that evening.

I saw him again, for the last time, on television in Florida, talking to the Jews in Miami, telling them they should reject Carter, not on the narrow grounds of the snafu on the U.N. resolution, but because his social and economic policies contradicted the values for which they had stood for years.

That, too, was vintage Lowenstein, motivating people to act, but insisting that they base their action on the broadest context of principle and, yes, morality—not on narrow self-interest.

That is how I first remember him, more than 30 years ago, the strange, intense youth from the University of North Carolina who came to the University of Chicago to drum up interest in a National Student Association, whose purpose, he insisted, would not be merely the protection of student rights, but the struggle for racial and economic justice in the nation and the world.

Ours was a campus full of activists, but none of us had seen quite the demonic intensity, the 24-hour-a-day purposefulness of this visitor. The girl I then dated and later married succumbed, and went off with Lowenstein to a convention in Ann Arbor, convinced she was about to save the world.

Up in Maine, six weeks ago, I met another young woman who, quite starry-eyed, disclosed that she had spent the previous weekend driving Lowenstein on his ceaseless round of meetings. I thought—but did not say—"He's bewitched you, just as surely as he bewitched a woman old enough to be your mother."

That quality in Lowenstein was a bit vexatious to those of us contemporaries who lacked his capacity for perpetual rejuvenation. To a greater extent than any public man I have ever known, Lowenstein was constantly and inseparably linked to the young people of this society, drawing his energy from them and giving them back inspiration and direction. From his NSA days, to the civil rights and anti-war movements, to the dump-Johnson campaign, and until the moment of his death, it is beyond dispute that he brought more young people into American politics than any other individual of our times.

His opinions and attitudes were often as outrageous as his habit of scheduling a mid-night appointment—then arriving four hours late and pounding indignantly on your door if you had fallen asleep.

His enthusiasms often led him to wildly inconsistent positions. As his devoted friend, Sam Brown, pointed out in a New Hampshire debate, Lowenstein may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates—Jimmy Carter, Jerry Brown and Ted Kennedy.

But he was more eclectic than that. Encountering George Bush in New Hampshire, he told his former House colleague that he was "anxious to get together" with him. Lowenstein would try to convert anyone to his cause.

Strange as it is to say of a man with such a legion of devoted friends, individuals were less important to him than causes. That may explain why his friendships ranged so broadly. Don Rumsfeld, the hawkish former secretary of defense, was a House gym wrestling buddy of Lowenstein's and a friend. Conservative Bill Buckley was another friend, and wrote a courageous column defending Lowenstein against the Red smear that were invariably used against him in his many losing House campaigns.

They responded, as did almost anyone who ever met Lowenstein, to the irresistible appeal of a man who shared with everyone his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.

The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.

It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on. ■

SCIENCE AND ENGINEERING TRAINING

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FUQUA. Mr. Speaker, the Committee on Science and Technology has recently received testimony from expert witnesses on present and future technical manpower needs. For example, during hearings before the Subcommittee on Energy Research and Production on the fiscal year 1981 Department of Energy authorization, Dr. Edward Frieman, Director of the DOE Office of Energy Research, pointed out that—

The potential supply of engineers has been discussed in two recent studies. The Bureau of Labor Statistics projects an 8-percent shortage of doctoral engineers in the mid-1980's. The recently published study on the "Supply and Demand of Scientists and Engineers in Energy-Related Areas," which was made by the National Association of State Universities and Land Grant Colleges, concluded that the supply of advanced level engineers likely to be produced by universities will fall short of the need in the 1980's. This is expected to cause problems in energy-related fields.

Testifying before the same subcommittee, Dr. Robert B. Gaither, chairman of the Department of Mechanical Engineering at the University of Florida, stated that—

There is a severe shortage of engineers right now. It is the most severe in the two areas of mechanical and chemical engineering that is evidencing itself in the form of very high starting salaries for people just getting out of school.

The critical technical manpower situation and the adequacy of science and engineering education are now receiving attention at the highest levels of the administration. The latest efforts in this area are described in a news and comment article which appeared in the April 4, 1980, issue of Science magazine. I am pleased to submit the article, written by Science staff writer, Luther J. Carter, for the RECORD.

The article follows:

IS SCIENCE AND ENGINEERING TRAINING ADEQUATE?

The National Science Foundation and the Department of Education are now engaged, at President Carter's direction, in a high-priority effort to assess the health of science and engineering education.

The study has been ordered partly because American industry is faced with a shortage of engineers, especially engineers trained in computer-augmented design and manufacturing techniques. Also, with most new engineering graduates finding attractive jobs in industry upon receiving their bachelor's degree, the engineering schools are discovering that to recruit enough graduate students and junior faculty they must look increasingly to foreign-born nationals.

President Carter gave Secretary of Education Shirley M. Hufstetler and NSF director Richard C. Atkinson their marching orders in a memorandum, dated 8 February, that said: "I am increasingly concerned whether our science and engineering education is adequate, both in quality and in numbers of graduates, for our long-term needs. Accordingly, I would like you to carry out a review of our science and engineering education policies at the secondary and university levels to ensure that we are taking measures which will preserve our national strength. Please submit a report to me, with your recommendations, by July 1, 1980."

Carter's directive to Hufstetler and Atkinson was sent on the advice of Frank Press, the White House science adviser, who in a memo to the President in early February had suggested that the study of science and engineering education be undertaken. Press, in turn, had acted partly on information received over a period of several months from engineering school deans and people in industry. He figured that, if the nation was already faced with a shortage of engineers, the additional demands generated by major new federal spending for syn-fuels R&D and defense research and engineering might make that shortage still worse. Also, in his memo to the President, Press is understood to have cited a report by two U.S. Census Bureau analysts, Louvan E. Nolting and Murray Feshback (Science, 1 February) that the number of scientists and engineers taking part in R&D in the Soviet Union may substantially exceed the number so engaged in the United States.

Press says he is not at this point asserting that there is a major problem in science and engineering education. Except for a few fields such as computer science and toxicology, there is no shortage of scientists today

and many new Ph.D.'s in the sciences have been hard put to find jobs in the fields in which they have been trained. But Press says more information is needed as to whether a shortage of physical scientists may develop in the years ahead. (As one NSF staffer points out, the number of students receiving bachelor of science degrees in physics in 1978 was down by more than a third from the number who received such degrees in the peak year, 1970.)

At NSF, a task force headed by the agency's deputy director, George C. Pimentel, and two assistant directors, is in charge of the education study. A parallel effort is in progress at the Department of Education under the direction of Michael O'Keefe, deputy assistant secretary for planning. The major R&D funding agencies such as the departments of energy and defense and the National Institutes of Health are also being drawn into the study, as are private organizations such as the National Academy of Engineering, the AAAS, the American Chemical Society, and various education groups.

The present shortage of engineers in industry may have resulted from widespread reports in the early 1970's of massive layoffs in the aerospace industry and of some engineers being reduced to pumping gas or driving taxis. Misled into thinking that engineering in general faced hard times and bleak prospects, many students entering college in those years made their career choices accordingly. More recently, engineering enrollment has grown dramatically, but the supply of graduates still lags behind demand.

But catching up with the demand for bachelor's degree graduates is not the only problem facing engineering education. Engineering schools are having trouble recruiting enough American-born graduate students and junior faculty and in giving up-to-date training. The situation at Ohio State University (OSU) may be fairly typical.

Today the OSU engineering school has more than 1,000 students in the senior class, or more than twice as many as it had 5 years ago. But, whereas 20 percent or more of the graduating seniors continued into graduate training in the 1960's, less than 10 percent are doing so now. Instead, most go into industry where starting salaries are often running as much as \$20,000 a year and the work may seem more interesting professionally than what a university might offer.

According to Donald Glower, OSU's dean of engineering and a member of the delegation of deans from the American Society of Engineering Education that called on Frank Press last year, OSU is having to look increasingly to foreigners for candidates for its Ph. D. programs in engineering and for the numerous new teaching jobs created by the boom in undergraduate enrollment. "You can get as many foreign nationals as you want [for the graduate programs]," Glower said.

These students—and Glower says they are "very, very good"—come mainly from Taiwan, India, the Arab nations, western Europe, and Japan; they usually have already earned the equivalent of a bachelor's degree in their home countries.

After receiving their Ph. D., many want to remain in this country, but find it easier to get a faculty position than a job in industry, where visa restrictions and restrictions having to do with access to classified and proprietary information may pose a problem. Glower says that, already, 15 percent of the OSU engineering faculty of about 300 is foreign-born and that the proportion of foreigners is rapidly increasing.

By next September, OSU must fill 40 vacancies in the engineering school, and, according to Glower, if the job candidates were screened strictly on the basis of their academic qualifications, 90 percent of those chosen would be foreigners. Glower feels that it is "undesirable for foreign nationals, brought up under alien political and economic systems, to make up a large part of an American engineering school faculty."

According to Glower, OSU, like most other schools, has not had the money to equip its laboratories in keeping with the revolution in engineering brought on by the rapid introduction of modern computer technology, as in interactive graphics, robotics, and microprocessors. "Our graduates are going out into industry not knowing the technology of today," he said, "They have been trained in the technology of yesterday."

In Glower's view, this is particularly unfortunate when these graduates join companies which have themselves fallen behind in the engineering revolution. Many small- to medium-sized companies are known to be in this laggard state.

Along with many of his colleagues among the engineering school deans, Glower would like to see NSF—or, better yet, a new "national engineering foundation"—provide \$20-to-30 million a year in matching funds to the engineering schools for 5 years—funds earmarked for bringing their laboratory equipment up to date. He believes that major companies such as General Motors and IBM would willingly match the NSF money.

At NSF and the Department of Education nobody is ready to speculate yet as to what the federal government should do to bolster science and engineering education. Currently, NSF is asking Congress to authorize \$85.7 million for its science and engineering education programs in fiscal 1981, or \$7.5 million more than was authorized for 1980. Department of Education programs directly related to science and engineering education are much smaller, because most programs in this field were retained by NSF when the new department was created.

Science and engineering education is, of course, very much affected by inflation and some of the other problems that afflict the rest of education. The leveling off and decline in college and university enrollments in many science courses during the 1970's after the earlier expansion (partly associated with the postwar baby boom) has made for an uninviting job market in some fields. If enough promising students are discouraged from pursuing careers in science, there will be shortages later on.

At the secondary-school level, NSF-sponsored surveys indicate that science is still not regarded as a part of the general education program for most students. Also, because of weaknesses in counseling at the junior and senior high levels, some able students are entering college without the mathematics and other prerequisites necessary for them to complete a major in science or engineering in 4 years.

Just what NSF and other federal agencies can do about all this in an era of tightening budgets and rampant inflation is anything but clear. Nonetheless, by calling for the science and engineering education study to be done, and done posthaste, President Carter is creating expectations which, in this political season, he presumably will take steps to try to satisfy.

DEAUTHORIZATION OF THE Oahe IRRIGATION PROJECT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

Mr. ABDNOR. Mr. Speaker, the 190,000-acre Oahe unit, initial stage, was authorized by Congress in 1944 and reauthorized in 1968 as partial compensation to the citizens of South Dakota for sacrificing in excess of 500,000 acres for four massive reservoirs on the Missouri River in our State. These reservoirs provide flood control, navigation, and hydropower benefits to downstream and neighboring States.

During the lengthy delay in action by the Federal Government to make good on its commitment, important changes have occurred in the economics of agriculture and in our Nation's environmental values. Of course, too, many of the original supporters of the project are no longer around or are nearing retirement and, thus, do not wish to take on the additional burdens of debt and other responsibilities associated with irrigation.

In any event, the broad and overwhelming support which once existed for development of the Oahe unit has eroded over time; but the Federal Government's commitment to the people of South Dakota remains.

In view of that fact, this year's session of the South Dakota Legislature passed senate concurrent resolution No. 8, urging the Federal Government to reaffirm its commitment. The resolution is reprinted in the April 15, 1980, CONGRESSIONAL RECORD, along with my statement to the Energy and Water Development Subcommittee, beginning on page 7924.

It is the position of the legislature that deauthorization of the Oahe unit, initial stage, would be acceptable if sufficient assurance of alternate economic and water development assistance is provided. I believe that is the position of most South Dakotans as well, and I have had legislation drafted to accomplish that purpose.

The following is a section-by-section analysis of the draft bill:

Section 1 authorizes grants to the State of South Dakota for the planning of projects or programs to offset the economic losses suffered as a result of the Missouri River reservoirs. The State would be given wide latitude as to what projects and programs to propose.

Section 2 authorizes grants to the State to implement plans and programs developed under section 1. The Secretary of the Interior would review the State's proposals and determine whether they are feasible.

Section 3 requires the State to provide for a detailed accounting of the plans and uses of funds provided by the Secretary.

Section 4 limits grants for implementation of the State's plans and programs to no more than 95 percent of the cost if the State does not require repayment by local sponsors and not more than 90 percent if the State does require repayment. This is consistent with the President's proposals for

the local cost-sharing requirements of Federal water development assistance. The Secretary could provide 100 percent of the cost, though, if the State or local sponsor would agree to repay 10 percent of the cost; and the State could set a higher level of repayment. Any revenue collected in excess of 10 percent of the cost would go to the State.

Section 5 directs the Western Area Power Administration to make available 170,200 kilowatts of power and to sell 310,800,000 kilowatts of energy at the direction of the State. This is the amount of power and energy which would have been allocated to irrigation in South Dakota under the Flood Control Act of 1944. WAPA would make this hydropower available at the cost of production and transmission, but the State could set a higher price. Any additional revenue would accrue to the State.

Section 6 deauthorizes the Oahe unit, initial stage, and provides that the facilities which have been acquired or constructed thus far shall be disposed of by the Secretary according to a plan developed by the State and approved by him.

Section 7 provides that the amount of funding to be provided to the State by the Secretary shall be equal to the amount required to complete the Oahe unit, initial stage. This figure would be indexed for inflation, so there would be no particular incentive for the State to hurry developments unnecessarily or for the Secretary to delay in the hope inflation would reduce the real dollar value of the authorization.

In short, this measure would simply provide a dollar-for-dollar trade for the Oahe unit, initial stage, and would have the State or other local entities it designates, rather than the Water and Power Resources Service, act as the planning agencies for projects and programs to be developed under this legislation.

Appropriations still would be required through the regular procedures employed by the administration and the Congress, and there would be no guarantees that any particular project or program would be approved by the Secretary or funded by Congress. An authorization would be provided for whatever projects or programs the State could successfully advance through these procedures, however, and that is no more nor no less than the Oahe authorization is at the present time.

This legislative draft represents an attempt on my part to break the stalemate which has developed over the Oahe authorization and to convert it into something which is useful to South Dakotans in attempting to deal with their critical economic and water development needs. It is also an effort to prod the Federal Government into taking reasonable and responsible steps toward fulfilling its longstanding commitment to the people of my State. There are those who are afraid of how the State might use the assistance provided under this legislation; but there will be ample safeguards built into the State planning process, along with the need for the Secretary's approval and the requirement for congressional appropriations, to insure that the public interest is served.

The key point is that in giving up the Oahe authorization we will not be risking the likelihood of getting nothing of substance in return. We would be getting an alternate commitment in law for the Secretary of the Interior to provide an equal amount of assistance to that which was supposed to have been provided for the Oahe unit, initial stage. I do not believe that is too much to ask, and I sincerely hope this legislation will receive broad support so that progress can be achieved on this vital and urgent issue.

The text of the bill follows:

H.R. —

A bill to authorize the Secretary of the Interior to provide to the State of South Dakota funds for the development and implementation of plans for the mitigation of economic losses to the State which have occurred as a result of the taking of land within South Dakota for the Missouri River Basin project, and for other purposes

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

PLANNING GRANTS

SECTION 1. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to make grants to the State of South Dakota (hereinafter referred to as the "State") to develop plans for the mitigation of economic losses incurred within the State as a result of the taking of land by the United States for the Missouri River Basin project initially authorized by section 9 of the Act of December 22, 1944 (58 Stat. 891).

(b) The grants shall cover the cost to the State of the development of economic development plans for the State or any sector thereof.

(c) The plans should, among other things, provide for the establishment or improvement of commercial, industrial, or agricultural facilities that increase, expand, or protect the economic base of the State and job opportunities in the State, including energy utilization and availability, transportation, community services, community facilities, water supplies, sewage and solid waste management systems, irrigation, flood and erosion control, soil and water conservation, and recreation.

PROJECT GRANTS

SEC. 2. The Secretary is authorized to make grants to the State to carry out the economic development plans referred to in section 1. A grant may be approved by the Secretary to carry out the plan only after the Secretary reviews the plan and determines that it is economically feasible under the terms of this Act.

APPLICATIONS

SEC. 3. A grant authorized by section 1 or 2 may be made only upon application by the Governor to the Secretary at such time or times and containing such information as the Secretary may prescribe. No such application shall be approved unless it—

(1) in the case of a grant to carry out a plan, sets forth, in detail, the economic development plan;

(2) provides such fiscal control and accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State pursuant to the grant; and

(3) provides for making such reports, in such form and containing such information, as the Secretary may require, and for keeping such records and for affording such access thereto as the Secretary may find

necessary to assure the correctness and verification of such reports.

MAXIMUM DEVELOPMENT GRANTS

SEC. 4. (a) Federal grants under section 2 shall not exceed 95 per centum of the cost to carry out an economic development plan developed by the State under section 1 and shall not exceed 90 per centum of the cost of any economic development plan for which the State requires repayment under subsection (b), except that the Secretary may make available to the State and local sponsoring agencies 100 per centum of the cost to carry out any economic development plan for which the State or local sponsoring agencies agree to repay 10 per centum of the cost.

(b) The Secretary may, if requested to do so by the State, enter into contracts, with the State and local sponsoring agencies designated by the State, for repayment of that portion, as determined by the State, of the total cost of carrying out the plan which is not covered by the grant made by the Secretary. The terms of repayment shall be determined by the State and approved by the Secretary, except that the State may require repayment by local sponsoring agencies of an amount in addition to that required to recover 10 per centum of the cost and such additional amount shall accrue to the State.

AVAILABILITY OF HYDROPOWER

SEC. 5. Notwithstanding any other provision of law, as soon as practicable and during each calendar year thereafter, the Western Area Power Administration shall make available according to the direction of the State not less than 170,200 kilowatts of electric power and shall sell according to the direction of the State not less than 310,800,000 kilowatt hours of electric power at a price not to exceed the cost of production and transmission of such energy, except that the State may establish a higher price, and any revenues collected in excess of the cost to the Western Area Power Administration shall accrue to the State.

DEAUTHORIZATION OF CONSTRUCTION OF THE INITIAL STAGE Oahe UNIT, JAMES DIVISION, MISSOURI RIVER BASIN PROJECT

SEC. 6. (a) The construction, operation, and maintenance by the Secretary of the initial stage Oahe Unit, James Division, Missouri River Basin project, South Dakota, authorized by the Acts of August 3, 1968 (82 Stat. 624), and October 27, 1972 (86 Stat. 1265), for the purpose of furnishing a surface irrigation water supply and for other purposes, is hereby deauthorized and is no longer an integral physical or financial part of the comprehensive Pick-Sloan Missouri Basin program that was approved by section 9 of the Act of December 22, 1944 (58 Stat. 891), as amended and supplemented.

(b) Those Oahe Unit works, facilities, and related properties that have been acquired or constructed shall be disposed of by the Secretary according to a plan developed by the State and approved by the Secretary under the authority of this Act.

(c) Those funds previously expended pursuant to authorities contained in the Acts of August 3, 1968 (Public Law 90-453; 82 Stat. 624), and October 27, 1972 (Public Law 92-577, 86 Stat. 1265), shall be charged against the general fund of the Treasury of the United States and shall not be charged against the Pick-Sloan Missouri Basin program, except that all costs assigned to the initial stage Oahe unit which are deferred without interest shall be retained as interest free costs of the Pick-Sloan Missouri River Basin program.

AUTHORIZATION

SEC. 7. There are authorized to be appropriated to the Secretary to carry out the provisions of this Act for fiscal years beginning after September 30, 1980, an amount equal to the cost, in current dollars and as calculated by the Secretary, of completing the initial stage Oahe Unit, indexed by the Secretary for inflation.●

MEANINGLESS, EMPTY MESSAGES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, so our Commander in Chief wants to send the Soviet Union a message by registering young men.

Well, Mr. Speaker, I am going to vote against this worthless gesture, because if the President really wanted to do something about our military posture, if he really wanted to send the Soviets a message, then he would do something about the Air Force shortage of 2,400 pilots this fiscal year, 3,500 pilots in fiscal year 1981, and 4,100 in fiscal year 1982. He would do something about the tragic retention problem our U.S. Navy has this year, holding on to only 28 percent of its pilots when it needed to retain 58 percent of those pilots.

What this Nation needs is not an ineffectual public relations election year gimmick but real measures to send the Soviets a real message. This administration has made it patently clear that it is utterly unable to provide this leadership. Try a B-1 "Peacemaker" production contract, Mr. President. Now, that is a message.

The article follows:

[From the Los Angeles Times, Feb. 24, 1980]

FIGHTER PILOTS' ANGER SOARS OVER THEIR LOW-LEVEL PAY

(By George C. Wilson)

LANGLEY AFB, VA.—The fighter jocks flying the hottest planes in the sky, the ones who would go to war first, cannot figure out how Washington can be so damn dumb.

To them all this hollering over registration and the draft is like swatting at the flies rather than attacking the manure pile, to use a famous expression from one of their old leaders, Gen. Curtis E. LeMay.

The big problem in today's military, according to the pilots at Langley Air Force Base, is not recruiting or drafting new bodies—although they favor this—but holding onto the men and women with the "right stuff" already in uniform.

"I feel unappreciated, taken advantage of," said Capt. William R. Looney III, in expressing the hurt felt by the proud men who are pilots. "I'm disappointed in my countrymen. Tomorrow I could die. The American civilian leadership doesn't appreciate I'm doing that for them."

Pentagon statistics and surveys document that many young pilots like Looney are fed up with losing money to inflation year after year as the President holds down their pay and civilian workers get big raises.

So many pilots are quitting in protest that both the Air Force and Navy fear they will not have enough to man all their warplanes.

The Air force estimated that it will be 2,400 pilots short this fiscal year, 3,500 next and 4,100 the year after—unless pay and other benefits are improved dramatically. The Navy needed to retain 58% of its young pilots this year but estimates it will hold only 28% of them.

The Air Force says it costs \$900,000 to train just one pilot in the sophisticated tactics needed to win dogfights against Soviet pilots flying modern planes. This expensive training makes the pilot highly saleable to commercial airlines and other civilian firms willing to pay twice as much as the military.

Today's jet pilot is a different breed from the storybook one—the hard-drinking swashbuckler of Pappy Boyington fame. He has at least one college degree, often two. He talks and thinks like an engineer—or else he does not survive modern weapons. And, like everyone else, he worries about buying a home and putting aside enough money for his children's education.

He is hard to replace. Neither registration nor the draft would close the pilot gap. That is why Gen. Lew Allen, Air Force chief of staff, and Adm. Thomas B. Hayward, chief of naval operations, are more worried about keeping the good people they have than finding new bodies.

The squadron commanders who would have to lead their pilots to war, such as Lt. Col. Ralph Wetterhahn of the 71st Eagle Squadron here, see concentrating on retention as a matter of common sense.

"It's a whole lot cheaper to keep one guy from going out the back door than to try to take in three or four others through the front door to replace him," Wetterhahn reasoned. Safer, too.

His squadron flies the hot F-15 Eagle fighter under the motto: "Our mission is to fly, fight and win," with the word "win" underlined. Living or dying in today's air battles depends on decisions made in seconds high above the earth. Inexperienced pilots die quickly.

"We can draft people until we're blue in the face, bring them in for two years, and they roll out after two years," said Vice Adm. George E. R. Kinnear II, commander of the Navy's Atlantic fleet warplane squadrons. "But that doesn't do anything to build up the skilled manpower who take five or six years to train."

It is young pilots with 6 to 11 years service—especially ones attractive to airlines and other civilian employers—whom the Air Force and Navy are losing at an alarming rate. Why would these pilots trade whirling around the sky at 1,000 miles an hour in fighter planes that cost \$15 million to \$25 million each for the comparatively dull life of civilian jobs?

They are gathered to explain themselves at the building just off the airfield here used by the 94th "Hat in the Ring" squadron. Capt. Eddie Rickenbacker made the squadron famous during World War I. The squadron's original stone "Hat in the Ring" symbol—mounted in 1918 on the 94th's operations building in Toul, France—now marks the entrance to squadron headquarters here.

The pilots gathered in the lounge wear red or blue turtleneck jerseys under their flying suits. They begin with niceties and move quickly to anger—anger focused on Washington. Why does Washington care so much about draft legislation and "real growth" in the \$158-billion Pentagon budget? Why does it care so little about "real growth" in the pilots' \$24,000-a-year paychecks?

The outrage is as visible in their conversation as the contrails from their F-15 Eagles against a morning sky.

"A lot of people have this money problem," said Capt. Looney, 30, a native of Norman, Okla., an Air Force Academy graduate who also has a master's degree in management from the University of Michigan.

"It's not like we're saying poor Air Force officer, poor F-15 pilot," Looney said. "But the thing is that you see your friends outside the service making more money, and you know you're just as well equipped and capable, if not more so, to make as much money as they do. You see what they can provide for their families. It frustrates you."

"I get a very good feeling for what I'm doing. Some day I'm going to be happy as hell and look back with great pride on the things I've accomplished in the military. But I'm exacting a pretty high price from my wife and my children to accomplish this for myself. They're the ones who are suffering."

"I feel unappreciated, taken advantage of. They know they've got a good deal in the majority of people who fly this airplane. I don't feel my general has done that to me. I feel the civilian leadership has done that to me."

"The airplane could blow up. Somebody could run into me or I could run into them or we could go to war and I could get killed. And I've got a wife and parents and a family I'm leaving behind. I've accepted this, as has everybody else in this room. The American civilian leadership doesn't appreciate I'm doing that for them. I'm disappointed."

Capt. James G. Boehm, 29, of Fairview Park, Ohio, one of the pilots who flew an F-15 to Saudi Arabia early in the Iranian crisis, agreed.

"If you think you're getting bad vibes," Boehm said, "I want to tell you you're talking to guys who have the best assignment in the Air Force—flying the F-15 fighter. Many pilots flying lesser planes are even more dispirited, he said, because they feel their efforts are not appreciated. We're in our job right now so kids in San Francisco can go out and demonstrate against the draft."

Capt. David A. Greschke, of Huron, S.D., has been in the Air Force for 10 years and is very saleable on the civilian market. He holds an electrical engineering degree from South Dakota University and a degree in public administration from the University of Colorado.

"I'm still motivated," Greschke said, "but I would expect, after 10½ years in the Air Force, to be at a measurable level above where I started in pay, responsibilities and so on. But, really, all that has changed is the rank."

He and other pilots, some of whom pulled pay cards and other papers from their flight suit pockets to buttress their claims, said they have been losing to inflation year after year, most recently because President Carter capped their pay raises at 5 percent and 7 percent, far below the actual rate of inflation.

The \$24,000-a-year captains said they do not expect to be paid the \$60,000 to \$100,000 salaries of commercial airline pilots but resent risking their lives for a government that refuses to keep their pay ahead of inflation. They added that skilled enlisted people, such as crew chiefs who keep their F-15s flyable, are losing out, too.

"It's disheartening for me to go out to my jet and have my crew chief work my airplane and then tip that same crew chief over at the commissary for bagging groceries," complained Capt. Rowe P. Stayton, 28, of Quinlan, Tex., an Air Force Academy graduate.

"There's something wrong with that system," Stayton continued. "The guy is ex-

pected to put in a hell of a job out there during the day and has to come over here in the evening to make ends meet by taking what I consider a demeaning position. More important, he cannot do his regular, very important job well because he is staying up too late doing the second job."

(Stayton's crew chief for maintaining the \$15 million F-15 is an E-3, or senior airman. His base pay is \$570 a month, or \$6,840 a year. Allowances on top of that push his pay to just under \$9,000.)

Maj. Hal Hornburg, 34, who has a business degree from Texas A&M and a master's degree in career management from the University of Utah, is briefing Capt. Gerry Christeson, a graduate of Ohio State, on how they are going to "kill" two "enemy" planes in an instrumented rectangle of sky off Cape Hatteras.

The "enemy" planes are Navy F-14s out of nearby Oceana air base. Every maneuver will be recorded electronically. Afterward, the pilots will study on a screen what they did right and wrong, like professional football players reviewing Sunday's game film. The pilots' mistakes probably would mean death in wartime because aerial missiles have become so lethal.

Hornburg's briefing underscores the technological nature of modern dogfighting. Life or death depends on seeing the other guy with your radar before his radar sees you, or of split second mental computations of geometric angles for missiles or gunfire. No more white scarf, eyeball-to-eyeball, lengthy whirling gunfights. It is kill or be killed in seconds.

"I don't want to fly slow speed today. So think getting energy. If you can't get back into the fight at a good high energy rate"—meaning supersonic speeds—"then separate" (from the engagement rather than risk being "hit" with a missile or guns).

"I want to run in on these guys at 6 to 9,000 foot split and try to run a bracket on them." (boxing in the two Navy F-14s with the two F-15s flown by Hornburg and Christeson.)

"I want to bracket them in terms of horizontal offset, vertical offset and in time. If I go low, we'll have a time bracket on them. What I want to avoid at all costs is having them see both of us at the same time."

"Let's talk about radar search." (The F-15's radar is its big advantage over other planes. It can see a plane from a distance of over 100 miles; look down on an enemy plane from above and pick it out from the clutter that foils other radars.) "I'll look low and you look high. I'll be in a 40-mile scope, six bar. . . ."

"What we want to do is get a quick kill and get out. If they deny that, and we know that by aspect" (the geometric angles between the planes fighting each other) "then we can fight them single ship. If we can't get a quick kill within 15 to 20 seconds, then we want to bug out. We don't want to stay in and fight slow. Do not engage subsonics" (less than about 600 miles an hour).

"Maneuver for the AIM 9" (Sidewinder heat-seeking missile which flies up an enemy's tailpipe if fired from the right angle) whenever you can. . . ."

Christeson, who was to fly as Hornburg's wing in the upcoming two-against-air battle, interjected: "I'd like to call the aspects of my bogie, maybe every four miles. That cues me. And it might cue you if you hear me call an aspect is bogus because the geometry has changed. . . ."

"We don't have to come back with three or four kills apiece," Hornburg stressed as he ended his briefing. "What we don't want

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to do is come back with a mort"—for mortuary.

The scene is a dinner at a restaurant outside Norfolk. Two F-15 pilots from Langley and their wives are having a night out. Joan Johnson, mother of two and a computer specialist, is explaining why low pay is not the only reason why pilots are quitting the Air Force in droves.

"If he moves again," she announced with resolve, "I'll stay." Capt. Henry B. Johnson III, 34, of Silver Spring, Md., who once had to bail out over the North Sea because both of the Pratt and Whitney F100 engines in his F-15 fighter conked out at once, said he would respect her decision.

The Johnsons have been in the Air Force 11 years. They have been forced to move 11

times in that period. Mrs. Johnson has had it, both with the "genteel poverty" and the continual moving.

She has had to give up one good job after another.

Mrs. Johnson expressed the frustration shared by thousands of today's military pilots: "I didn't anticipate at 23 what my personal needs would be at 33."●