

EXTENSIONS OF REMARKS

REPORT ON U.S. POLICY
TOWARD EL SALVADOR

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the following report by Col. Samuel T. Dickens, USAF (Retired) who has been studying U.S. policy toward El Salvador for a number of years. His report, which has been edited due to consideration for space, reflects his most recent visit to that Central American nation and U.S. responsibility for certifying Salvadoran progress on a number of reform questions. I urge my colleagues to consider carefully Colonel Dickens' remarks.

STATEMENT BY COL. SAMUEL T. DICKENS,
USAF (RETIRED) U.S. POLICY TOWARD EL
SALVADOR

EL SALVADOR CERTIFICATION

During the 10-day period from July 8 through July 17, 1983, Colonel Samuel T. Dickens USAF (Ret.) visited El Salvador for the purpose of collecting information for analysis to determine whether that country was making sufficient progress to warrant continued economic and military assistance from the United States as provided by Public Law 97-113. Colonel Dickens, a director of New World Dynamics, was representing a coalition of organizations known as the Central American Freedom Alliance (CAFA).

The process by which the President of the United States must "certify" that El Salvador is making progress in certain areas in order to receive continued United States support was established by Section 728 of the International Security and Development Cooperation Act of 1981 (Public Law 97-113, approved December 28, 1981.)

Every six months, the President must certify to Congress that the government of El Salvador . . .

"(1) is making a concerted and significant effort to comply with internationally recognized human rights;

"(2) is achieving substantial control over all elements of its own armed forces, so as to bring to an end the indiscriminate torture and murder of Salvadoran citizens by those forces;

"(3) is making continued progress in implementing essential economic and political reforms, including the land reform program;

"(4) is committed to the holding of free elections at an early date and to that end has demonstrated its good faith efforts to begin discussions with all major political factions in El Salvador which have declared their willingness to find and implement an equitable political solution to the conflict, with such solution to involve a commitment to:

(A) a renouncement of further military or paramilitary activity; and

(B) the electoral process with internationally recognized observers."

CONCLUSIONS

The government of El Salvador is making significant progress in each of the four major areas specified by Public Law 97-113 and therefore merits continued United States economic and military assistance. The Apaneca Pact set the stage for subsequent government actions which provide overwhelming evidence of officials' desires to bring about peace, economic reforms and meet internationally accepted human rights standards.

One must question the value and significance of the economic reforms which the United States is, in effect, imposing upon El Salvador. Any careful analysis will reveal that the economic reforms are inimical to United States traditions and theory which espouse private enterprise, free trade and competition. The banks have been nationalized, foreign trade is strictly controlled by the central government and private property has been confiscated. The United States' continued pressures for agrarian reform translates into additional confiscation of private property. (Phase II of the Agrarian Reform if enacted would affect properties between 100 to 500 hectares—approximately 250-1250 acres.)

No less an authority than the National Association for Private Enterprise (ANEP) states that 50 percent of the blame for El Salvador's disastrous economic status today is due to the negative policies implemented since the 1979 coup.

The Congress should undertake a careful look at policies which the United States is enforcing El Salvador to follow. Assumptions are being made about "Agrarian Reform" which do not bear close scrutiny. This "look" or formal analysis should determine whether we are offering the best opportunities for alleviating poverty in El Salvador through a free market economy and free enterprise or whether, the United States is encouraging a strong central government and socialism. All this under the guise of economic and agrarian "reforms." . . .

ANALYSIS AND FINDINGS

Apaneca Pact

On August 3, 1982 the President of the Republic, the political party leaders and representatives of the Constituent Assembly joined together and signed a basic government platform called the Apaneca Pact. The primary purpose of the pact was to respond to the popular mandate of the March 28, 1982, elections, which would lead the country to peace, social and economic progress. The Apaneca Pact addressed several principles to be followed including, Pacification, Democratization, Human Rights, Economic Recovery, Reforms, Confidence and Security and efforts to strengthen international support.

In order to help bring about these objectives three commissions were formed: the Peace Commission, the Human Rights Commission and the Political Commission.

The Human Rights Commission

The Human Rights Commission was established by executive decree on December 1, 1982, beginning formal activities on January 3, 1983. Seven members make up the commission appointed by the executive. Members will serve for two years. The present commission chairman is Monsenor Freddy Delgado A. Since they undertook their duties they have received 303 formal petitions protesting human rights violations of which 126 have been successfully resolved.

Of the 303 formal petitions, 99 persons have gained their release, 36 of those imprisoned for political crimes were released because of the Human Rights Commission's efforts. Twenty-seven have been ordered to trial through the judiciary system and another 19 persons have been given the protection of the Human Rights Commission.

The Human Rights Commission has undertaken an intensive educational campaign to raise the level of consciousness of Salvadorans through the press, radio and television. The Armed Forces and community leaders attend talks on Human Rights in order for all to have a better understanding of the need to preserve standards of Human Rights during peace and war.

The Human Rights Commission has designated one delegate as a representative to the Amnesty Board.

The following information is an analysis of the Human Rights Commission report approved by them on July 15, 1983, covering the period January 1 through June 30, 1983. This report refutes independent reports by unauthorized sources which would have one believe that the El Salvadoran government bears primary responsibility for the killings taking place in that beleaguered country.

Take the figure of 3,421 which includes combat casualties (dead and wounded), homicides and murders. Of the total of 3,421 deaths and casualties the FMLN (guerrillas) accept a total of 1,644 casualties. In turn the El Salvadoran Armed Forces accept losses of 813. These combat casualties total 2,457. When combat casualties (2,457) are subtracted from total deaths in El Salvador during the first six months of 1983 we have a difference of 964. It is this total which should have closer scrutiny. The 964 deaths would appear to be civilian deaths.

The Human Rights Commission analysis concludes: Civilian deaths by terrorist acts, 222; civilian deaths thru military operations, 23; civilian deaths by unidentified persons, 676; deaths attributed to unknown organizations, 43; total 964.

The Human Rights Commission charges the terrorists (guerrillas) with 222 civilian deaths, the military with 23 deaths and to unknowns, 719 deaths (presumably the latter, 719, are murders having nothing to do with the war, or guerrilla activities). What most analysts are not appreciating when analyzing deaths is that the country is engaged in a total guerrilla war. These analysts make the false assumption that the guerrilla war only involves combatants in the mountains, on the slopes of volcanos

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

and by various sized organized military units. To make this assumption is to ignore the realities of guerrilla war which in fact has the enemy operating in every part of the country, in the cities, and infiltrating every sector of government and the economy.

Discussions with key government officials confirms their desire to eliminate human rights abuses. They recognize the importance of continued public support by Salvadoran citizens evidenced by the over 80 percent of the electorate participation in the March 28, 1982, elections. They do not want to alienate that support. Additionally they are fully aware of the importance of international acceptance of their government and the importance of continued United States support, economic and military, to ensure their survival.

An analysis of the 137 kidnappings by departments (states) where they took place is revealing. The most kidnappings (42) took place in the department of Chalatenango, a major combat area. Second in kidnappings was San Salvador with (24). Other major areas where kidnappings have taken place are San Vicente (10), Usulután (14), and Morazan (15), all major combat areas. This closely ties the kidnappings to the areas where most of the fighting takes place. Communist guerrillas effectively use kidnapping as a means to control small towns and villages through intimidation, removing leaders; mayors, teachers and other authority figures. Chart II bears this out identifying terrorists (guerrillas) with (96) of the kidnappings for the period January 1 through June 30, 1983. Bishop Pedro Aparicio, of El Salvador, reported guerrilla recruitment through kidnappings in the smaller towns threatening the youths with the murder of family members if they escaped. . . .

Terrorist Acts

International press and television has paid insufficient attention to the destruction waged by the guerrillas against El Salvador's economy which is a direct attack upon the people. This destruction is revealing. As the elections proved the people did not support the guerrilla movement the terrorist actions by the guerrillas clearly shows their acceptance of their failure to win over the nation's population and so have set about to destroy the economy. This destruction, waged against the people themselves, directly and adversely influences their daily lives, their ability to work and receive wages and forces a deterioration of everyone's standard of living and quality of life.

These acts of terrorism are direct against the electrical power system, the telephone system, roads, railroads, residences, government facilities, construction companies, commercial activities, banks, farms, animals, vehicles and include the taking and sacking of towns and villages.

A flight over the eastern part of the country reveals the destruction to the electrical grid system with the scores of high tension towers lying on their sides, resulting from dynamite explosions. The eastern departments were without electricity 200 days last year with the resulting deterioration of productivity of all commercial activities.

There were 355 attacks on the electrical grid system of the country involving the destruction of power distribution centers, high tension towers, posts, transformers and other line cuts. The telecommunications system suffered 71 attacks against telephone lines, grid systems and line cuts. There were 180 attacks against the trans-

portation system. This involved the dynamiting, machinegunning, setting on fire of buses, private cars, farm workers transportation, railroad cars, trucks and commercial vehicles. There were 17 attacks against bridges, roads, railroad bridges and railroad lines. The government suffered 83 attacks by fire, machinegunning and dynamite directed against offices, court houses, schools and the judiciary system. There were 975 vehicle thefts during this sixth month period. There were 25 attacks against the agricultural activities involving damage to fields of sugar cane, cotton and coffee. El Salvador's economy depends on the export of these three crops which are directly affected as well by power outages, vehicle destruction, road and railroad outages as well as telephone outages. . . .

The Amnesty Board

The Amnesty Board has been created to authorize amnesty to those who have taken up arms against the government now wishing to surrender, those who have been processed or sentenced for political crimes, those who have been sentenced for politically motivated crimes for terms of less than four years and served six months in prison.

The Amnesty Board is composed of three members and was created by Decree No. 210 of the Constituent Assembly on May 4, 1983. It was expected to be in existence for 60 days however, its life was extended an additional 30 days into the first few days of August 1983.

On July 12, 1983 the Amnesty Board reported the following information: From May 21 through July 12, 1983 a total of 540 individuals convicted of political crimes were granted amnesty. Of those bearing arms, 182 voluntarily presented themselves to the government seeking amnesty (135 were men and 47 women). Total: 722 have taken advantage of the amnesty program.

Among those granted amnesty provisions were made for those interested in farming to be granted land, grain and credit. Forty families have taken advantage of this offer.

An immigration program was established for individuals desiring to leave El Salvador. Canada has received 139, of which 75 had been granted amnesty. Australia had received 70 people and Belgium 5 families.

The Peace Commission

The Peace Commission has the objective of incorporating all the political and social sectors into the democratic process and in peace. The Commission on May 30, 1983, made a call to all sectors and in particular the FDR (Frente Democratico Revolucionario) to initiate a dialogue leading to their participation in democratic, political life in El Salvador. The Commission reiterated its belief that a democratic and political solution was the only method to achieve an answer to violence.

Agrarian Reform

The Salvadoran Agrarian Reform Institute (ISTA—Instituto Salvadoreño de Transformación Agraria) has the responsibility of administering the cooperatives created through the expropriation of properties greater than 500 hectares. (Approximately 1250 acres.)

The Agrarian Reform began with the Armed Forces proclamation of October 15, 1979, in which, among various points, it was stated that measures would be adopted to make an equitable distribution of the nation's wealth.

On March 6, 1980, the Army physically took possession, at the point of the gun and without formal notice, of all properties

which exceeded 500 hectares. In most cases owners were not allowed to remove any of their personal possessions including clothes, books, furniture and all private property in their living quarters. This included automobiles and private aircraft, with limited exceptions. Though the owners were by law authorized to retain 100 hectares for their own development that authority has only recently come into play. The owner does not select the 10 hectares as the government makes this decision often resulting in the owner being granted the least productive and fertile property. In most cases the private owners have had no access to their private homes on the expropriated property.

In order to understand the impact and significance of Phase I of the agrarian reform one should study the report, "Agrarian Reform in El Salvador," by Checchi and Company, 1730 Rhode Island Ave., N.W., Washington, D.C., 20036, published January, 1983 which was commissioned by the Agency for International Development (AID) of the United States government. Only reading the summary will not provide sufficient understanding of the disastrous effect that implementing agrarian reform has had on El Salvador. A thorough study of the report should be made.

The United States Congress through the process of "certification" is requiring that El Salvador proceed with certain "reforms" which include agrarian reform, nationalized banking and foreign trade. These "reforms" were imposed by a revolutionary government and are being continued by the present government under the tutelage of the Provisional President, Alvaro Magana. Further evidence of continued efforts to ensure the agrarian reform process can be seen in provisions of the new Constitution which is being reviewed for approval by the Constituent Assembly.

Phase III of agrarian reform is commonly known as the "land to the tiller" program as people working land which is less than 100 hectares in size are encouraged to seek title to that land, subsequently expropriated from rightful owners.

Phase II of agrarian reform has not been implemented. It would expropriate all property between 100 and 500 hectares in size. During my July 1983 visit to El Salvador the possibility of invoking Phase II was being widely discussed by the press and by the people. The director of ISTA (responsibility for implementing Phase I of the Agrarian reform) told me that it would be his responsibility to implement Phase II if it were so decreed. He added that if this were the case he would resign his office as there were now insufficient monies available to implement fully and successfully Phase I of the reforms, so how was there hope in proceeding with Phase II?

In Ahuachapan department on June 1, 1982, 3,298 farm workers on 13 different agrarian reform "cooperatives" signed petitions to the Constituent Assembly complaining about the adverse effects on farm workers since the property seizures by ISTA and the Armed Forces. This petition related that the property seizure had created great insecurity and high unemployment. Produce delivered to market was not immediately paid for by the Government.

This same June 1982 petition stated that if the farm workers were to be given the property then the previous owners should be paid as the workers were unhappy to benefit from property taken from others. The farm workers asked for major efforts to reopen sugar and coffee mills in Ahuacha-

pan. They reiterated the need for early payment by financial institutions and those commercializing the sale of produce as these delays resulted in increased interests on their debts and unemployment. They asked for urgent consideration for their problems affecting families and causing a feeling of desperation.

Later, I flew to the eastern part of the country to visit with the Salvadoran Cotton Cooperative. This cooperative represents independent groups owning their own property banding together for joint ventures. Included in this group as association members were the so called "cooperatives" created by the agrarian reform decree. The President of "Cooperativa Algodonera Salvadorena, Ltda." took me through the facilities there at San Miguel as well as at La Carrera in the department of Usulután.

Cotton production was down for two primary reasons; terrorist, guerrillas with their destruction and the agrarian reform. International credit was sorely lacking.

A comparison of recent yields with the 1978-79 harvest as a data base:

Raw cotton for 1980-81 was 59.05 percent of base year.

Raw cotton for 1981-82 was 54.39 percent of base year.

Cotton production for 1980-81 was 63.33 percent of base year.

Cotton production for 1981-82 was 63.82 percent of base year.

Profits were down in 1980-81 by 68.29 percent of base year.

Profits were down in 1981-82 by 49.61 percent of base year.

Production by cotton properties affected by "agrarian reform" was 8 percent less than the unconfiscated properties; 41.76 percent of the total properties associated with the Cooperative Algodonera Salvadorena were properties confiscated by the agrarian reform decree.

During 1982 the eastern departments were without electricity for 200 days, due to guerrilla actions. Guerrillas additionally destroyed cotton fields, warehouses, and railroad cars loaded with cotton.

Asociacion Nacional de la Empresa Privada (ANEP)

National Association of Private Enterprise: I met in executive session with ANEP leaders who represent 31 different groups covering all privately owned sectors of the economy. They stated that the threat of instituting the second phase of the agrarian reform should be lifted as owners were not working their property. As long as this threat continued production would be down, dramatically affecting coffee production, a major source of foreign exchange. (Phase II would confiscate properties between 100-500 hectares in size.)

Phase I agrarian reform confiscations of property over 500 hectares have not been properly compensated for. Owners have been receiving a maximum of 2% of land value in cash. The difference has been handled with bonds having 3, 5 and 20 years for redemption. Many considered these worthless. The government used a tax base for the period 1976-77 without consideration for any real improvements to property during the intervening period.

During the confiscation process of Phase I there were 100 cases of property seizures which were less than the required 500 hectares. Special government decrees maintained government ownership of these properties rather than returning them to the owners. They too have been inadequately compensated for the loss of their properties.

(Government data base for property ownership was taken from the year 1970.)

When asked who was pressuring government to institute Phase II of the Agrarian Reform (confiscation of properties between 100-500 hectares) I was told the American Institute for Free Labor Development (AFL-CIO).

ANEP officials stated that the nationalized banks were now a government monopoly, in the hands of a few with no competition. Interest rates were higher and the government controlled 100 percent of the actions. The banks were now attempting to sell bonds representing 49 percent of assets; 20 percent of these were available for sale to bank employees and 29 percent to the public. Public newspaper notices of offerings were getting few takers. The public had little confidence since the banks had been taken over by the military, intervening with armored cars in a simultaneous takeover of all banks. For three years three people have been providing the provisional directorship of the banks. These managers have no experience in economic analysis. As there is no competition between the banks, preference for credits have been directed to government monopolies, such as the agrarian reform. Bank loans to the private sector have been greatly affected by the lack of bank competition and the direction of credits to government agencies. Bank loan availability has been sharply curtailed.

These ANEP officials requested that United States economic assistance be channeled to the private sector to encourage the free market economy and private business.

Armed Forces

The new Defense Minister, Carlos Eugenio Vides Casanova, takes pride in the initiatives being taken by the army over the guerrillas. He hopes to keep the guerrillas on the defensive while providing protection to civilians in those areas cleared of guerrillas. General Vides Casanova spoke proudly of extensive civic actions underway in bridge and road reconstruction, rebuilding of clinics and schools while providing protection to farm workers and public transportation.

A visit to a local commander at Zacatecoluca confirmed the enthusiasm for civic action and the zeal to secure the area for farm workers to work their land. This Lieutenant Colonel told of his efforts to coordinate army support with local mayors and other town leadership to gain civilian confidence in army supportive actions.

Military Hospital

A visit to the military hospital confirmed the propaganda success of the communists in their disinformation program designed to discredit El Salvador in the United States and Europe. There was no evidence of any international support by way of assistance. Some foreign equipment is being made available but the military sadly lack adequate medicines, equipment and supplies.

The hospital was crowded with over 330 patients. Passageways were full of beds with patients. Expansion of hospital facilities was not keeping pace with requirements.

The hospital commander informed me that there was a shortage of doctors. Paramedical training being conducted by a United States military medical team would help alleviate suffering of combat wounded in war areas. However at this time doctors were required to move to forward combat areas to treat wounded despite inadequate facilities, and shortage of medical supplies and equipment in these areas. There were insufficient helicopters to perform needed

tasks. The fourteen army helicopters were being utilized for troop movement, supply deliveries and wounded evacuation.

The hospital commander told me there were infrequent visits from international groups inspecting the hospital. Each promised assistance from their organizations without any subsequent response.

Refugee Centers

Two refugee centers were visited. One at Santa Tecla just west of the capital city of San Salvador. The other at Cojutepeque to the east on the Pan American Highway.

Santa Tecla has been operating for over three years. There are over 800 refugees there. A number of the men have found work in the surrounding urban area and a few are engaged in minor work programs creating small profits for basic food necessities. Refugees at Santa Tecla come from two areas in Morazan department and had been moved out of these areas for their own protection.

The Cojutepeque refugee center had been operating a month and existed because of the exodus of refugees fleeing fighting, primarily from the Suchitoto town area. This town has been taken by the guerrilla, retaken by the army and then been involved in renewed fighting. These civilians had not been displaced by the army for their protection but rather were fleeing the guerrillas.

Young workers, representing the Green Cross, were painstakingly reporting names of individuals at the Cojutepeque refugee center. Again there was no evidence of international support for these several hundred refugees and the Green Cross was the only representative at both refugee camps visited.

The lack of concern by the international community for the tribulations being endured by the Salvadoran people is testimony to the effectiveness of communist propaganda. El Salvador has been made an outcast nation without justification.

Another View of Agrarian Reform

My visit to the local Army commander at Zacatecoluca was with two men who owned farming property in nearby department San Vicente. For some time this area near the slopes of the San Vicente volcano has been terrorized by guerrillas. In the past the army has not been able to provide sufficient force to maintain control so that the guerrillas have always been able to return.

These two men own property less than 500 hectares in size and thus not confiscated under Phase I of the Agrarian reform. They had been forced to leave because of guerrilla actions. The ambitious and confident Lieutenant Colonel commanding army forces in Zacatecoluca proudly spoke of his civic action programs, the mutual cooperation between army units, his headquarters and civilian authorities. He carefully outlined his activities and efforts to create an atmosphere of confidence in the army in their ability to keep the guerrillas from their destructive raids of the farm lands.

The two farm owners and I drove back to San Salvador with considerable optimism. The two seemed eager to accept the Colonels' offer to come back and work their property under the army's protection. Shortly that optimism collapsed like a popped balloon.

In San Salvador we met with several Salvadoran men in a private home. The two men who had accompanied me to the army headquarters in Zacatecoluca told of their optimism and their confidence in the Army colonel. Immediately one of the men

present raised his voice in anger. He pounded the table with his fist and said, "Trust the army! How can we? The army took our property away at the point of a gun in 1980, and now you say trust them and go back to work our farms? Don't you remember what Morales Ehrlich (previous director of ISTA's Agrarian Reform organization under ex-president Duarte) told us when we were all assembled that day? That we should all work our properties so that when they were expropriated the transition would be that much smoother? Do they think we're crazy? Maybe this army Colonel is a good man, but how long is he going to be there? Who's going to replace him? And what about the elections? If the Christian Democrats win they will expropriate all our property! Do they just want us to get the fields back in production so that they can confiscate them from us?"

That tells the story. The greatest threat to unity in the country is distrust. And yet a distrust for very valid reasons. What most Americans don't realize is that the country is in a guerrilla war, without frontiers. The war is not just being fought in the mountains, in the forests, on the slopes of the volcanos and among armed forces, but by individuals. There is a guerrilla leadership that operates from the cities, with intelligence networks, clandestine, propaganda and psychological operations.

In El Salvador trust and confidence is given to those you know and know well. Occasionally someone you once had confidence in is identified as a guerrilla leader. A school friend not seen for two years has his house raided; it is an arms cache, a "safe" house and full of communist propaganda literature. The leader of the Miami kidnapping of Mrs. Roberto Quinones turns out to be an old friend, one had not seen for several years. The fight is ideological. ●

TRIBUTE TO WILLIAM CARLOS WILLIAMS

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. TORRICELLI. Mr. Speaker, this month we mark the 100th anniversary of the birth of William Carlos Williams, New Jersey's Pulitzer prize-winning poet and one of the foremost creators of modern American art. I am proud to recognize Mr. Williams' birthday and announce the beginning of a centennial celebration at the William Carlos Williams Center for the Performing Arts in Rutherford, N.J.

We celebrate William Carlos Williams not so much for his role as the "father of modern poetry," as he is often described, but as the people's poet. He lived in Rutherford almost all his life, serving the community as a general practitioner and pediatrician. In an era when many of his artistic colleagues chose to leave America as cynical expatriots, Williams remained. He found in the people of Bergen and Passaic Counties a rich resource of contemporary life. Williams drew his striking and precise images from the

faces and scenes that surrounded him at home in America.

William Carlos Williams wrote in 1917:

My townspeople, beyond in the great world, are many with whom it were far more profitable for me to live than here with you . . .

I remain! Therefore, listen!

For you will not soon have another singer.

Williams gave life and energy to the obvious and pedestrian. He saw in his small community images of the modern American spirit. Those images influenced not only a young generation of poets and authors, but changed the direction of music and the visual arts forever.

Although the artistic community around the world is indebted to the poetry of William Carlos Williams, those of us from Bergen County, N.J., are proud to claim him as our own. It is timely and the Governor's Committee on the Arts of the State of New Jersey as one of five regional arts centers. Through the center and his admirers, the force of William Carlos Williams' poetry will endure to raise our spirits and vision. As Williams wrote:

At our age the imagination, across the sorry facts, lifts us, to make roses, stand before thorns. ●

IN CELEBRATION OF OUR HISPANIC HERITAGE

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 13, 1983

● Mr. MARTINEZ. Mr. Speaker, during this week long celebration of Hispanic Heritage Week, we are all made more aware of the many significant contributions of the Hispanic Community to the advancement of our Nation. Whether this results in a renewed pride in our Hispanic heritage or in a new awareness of the accomplishments of our neighbors to the South, this celebration is worthy of support.

Although this is a time for celebrating achievements, we cannot overlook the obstacles which need to be overcome so that the future can be a better place for all Americans.

Our country has prospered and progressed because the various ethnic groups which immigrated to this Nation have brought with them a rich heritage, a healthy diversity, a strong dedication to freedom, and a hunger for a better way of life.

The same is true of those of us with a Hispanic Heritage. We have contributed our share of war heroes, artists, scientists, businessmen, entrepreneurs, educators, and political leaders. Yet, each story of success is accompanied with its example of discrimination and prejudice. Given this sad truth, one is

left wondering how much more could Americans of Hispanic Heritage, blacks, Asian-Americans, American-Indians, and others have contributed had they not experienced the prolonged level of discrimination which persists to this day. Had these superficial limitations been removed earlier in our history, would not we all be better off today?

There is no doubt that Americans of other ethnic origin were also victims of such prejudice. However, their ability to retain their native culture and language while being fully accepted as Americans has enabled them to more easily take advantage of the available opportunities.

Given our country's rapidly changing economy and dependence on an educated public, I see a need for us to put away our prejudices and commit ourselves to programs which are vital to our Nation's prosperity. We cannot afford to permit the further depletion of our human resources and alienation of our ethnic groups. I challenge the President, Congress, State legislatures, local governments, and the private sector to develop this hidden potential so that it will become a productive asset rather than a liability. ●

MILITARY INDUSTRIAL COMPLEX

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. SHELBY. Mr. Speaker, 20 years ago President Eisenhower warned of the growth of a military industrial complex, subservient to none and omnipotent to all. Today, his worst fears seem to be coming true. A massive, noncompetitive, monolithic bureaucracy has gradually developed, one where managers have no interest in assuring quality, workers are poorly trained, production controls are almost nonexistent, and weapon design rarely meets manufacturing requirements. The result is a plethora of abuses ranging from paying \$110 for electronic diodes costing 4 cents apiece, to missing washers grounding our Pershing II missiles, to \$2 billion cost overruns on the C-5A cargo plane. In addition, contractors are rarely forced to guarantee their products. If the plane, tank, or gun does not work the contractor simply tacks on additional charges to the bill, all at taxpayers' expense.

More importantly, the atmosphere of waste and inefficiency fostered by an anticompetitive environment inevitably leads to unreliable, shoddy weapons; weapons with which our soldiers in the field must risk their lives. In fact, some of the most vocal critics of our procurement process have been

the field officers themselves. Clearly, changes must be made, especially in our bidding procedures.

Our process of procurement is in urgent need of a massive dose of competitive medicine. Competitive bidding pitting rival systems against each other will ultimately lead to lower prices, higher quality, and according to the Defense Science Board, savings of up to 20 percent on the average contract.

A truly independent testing office should be established to monitor the Pentagon's testing and procurement procedures. Sponsored by Congressman COURTER of New Jersey, the House has recently passed legislation that would include funding for such an office, one which would report directly to Congress rather than the Secretary of Defense. Congress, which eventually appropriates all defense funding, will now be in a better position to determine what programs are actually needed. In addition, the independent office will correct the ludicrous situation where the students at the Department of Defense, are, in effect, grading their own exams.

The profiteering perpetrators within DOD must be vigorously dealt with. Full scale prosecution, not simply the loss of jobs, should accompany each instance of graft or scandalous overpayments. Cheating can never be condoned, but fraud that jeopardizes our national security is unconscionable and should be dealt with accordingly.

Above all, we need to reexamine our overall defense philosophy. At a time of limited resources available for defense, we must begin to develop a mind-set like that of the Israeli's, one which designs and buys equipment that helps its soldiers do their jobs, not just solve unemployment in congressional districts. In an ideal world Congress would not have to bother with such problems as missing washers on Pershing missiles and graft and greed at the Pentagon. Budgetary guidelines would be followed and an efficient, lean Pentagon would emerge. Then again, in an ideal world there would be no need for a Pentagon; would there?●

LEONID KELBERT

HON. PAUL SIMON

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. SIMON. Mr. Speaker, "refusenik" has become an international word—a word that describes Soviet Jews who are denied the right to emigrate. As part of the Congressional Call to Conscience Vigil, I would like to draw attention to the plight of one refusenik in particular, Leonid Kelbert.

Leonid, a film producer, is the only Jew to participate in the Moscow Film Institute since the 6-day war in 1967. In 1975, he won at least three prizes at the Cuban Film Festival for "The Catastrophe Will Not Happen," and at the Czech Film Festival of 1976, he won the Grand Prize, Gold Medal, and First Place for "Ideas of Academician T. Selikov." His film "Ice and Fire" was made for the 1980 Italian Film Festival and was shown on Italian television under the title, "Man and Science," but with another director's name substituted.

Leonid lives with his wife, Miriam, a forensic pathologist, and their daughter, Ruth, who was born March 22, 1982. They live in a one-room communal flat. Leonid applied for an exit visa and then resigned his job because of official pressure on cinema and the arts. His visa was refused in March 1981.

Except for his 15 days' detention for "hooliganism," Leonid has remained creative and considers "the time of his refusal" as the most important period of his life so far. He produced a series of playlets based on episodes of Jewish history and culture in 1981. He is an active participant in a group of young Leningrad Jews who are studying their religion and culture in weekly seminars. These seminars have recently been under attack by the KGB, and since the arrest of Evgeny Lein in May 1981, the general atmosphere surrounding refuseniks has sharply deteriorated.

In March 1983, Leonid was told by the KGB that no more Jewish cultural activities would be permitted. In the past, those involved in cultural activities had been detained for periods of 15 days, but in the future, they were told they would be charged with anti-Soviet activities and face long-term imprisonment.

Mr. Speaker, as one of many concerned Members participating in this year's Vigil, I hope the Soviet Union will exhibit respect for basic human rights and allow citizens such as Leonid Kelbert to follow their consciences, practice their religion, and participate in cultural activities without fear of punishment from the state.●

CALLOUS NATURE OF SOVIET LEADERSHIP

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. KEMP. Mr. Speaker, the loss of 269 innocent lives in the Korean Airline massacre is a reprehensible attack that has gone a long way toward highlighting the true nature of Soviet intentions. The Soviets have proven to

the world that their indifference to the norms of international behavior can only be matched by their disregard for human life. It is clear that the Soviets have no intention of admitting their crime of shooting down Flight 007, as they arrogantly continue to dismiss the deaths of hundreds of civilians. It is also apparent that the apology, full accounting of the facts and corrective actions the President has asked for will not be forthcoming.

I commend to my colleagues the following outstanding editorial from the Buffalo Evening News on this barbaric act. As the News points out,

Just when the Soviet Union is seeking to persuade Western Europe that it has no need to deploy new nuclear missiles, the brutal and callous nature of the Soviet leadership has been freshly demonstrated.

As the crucial INF as well as START talks continue in Geneva, I urge my colleagues to support the President's negotiating positions as the Soviet efforts to cajole and neutralize our allies will undoubtedly be stepped up.

The editorial follows:

[From the Buffalo Evening News, Sept. 10, 1983]

SOVIET "BIG LIE" POLICY

Moscow has issued its "big lie" concerning the downed South Korean airliner, and it is sticking to it, using no less a mouthpiece than Soviet Foreign Minister Andrei Gromyko, who reiterated the fairy tale before an angry meeting of European foreign ministers in Madrid.

The airline was on an American spying mission, the story goes, and was shot down while trying to escape. Trying to embellish the lie, Moscow says the plane had no navigation lights. This is in direct contradiction of the recorded conversations of Soviet pilots, who three times mention the doomed airliner's flashing lights.

Mr. Gromyko defiantly proclaimed the right to shoot down any plane that violated the Soviet Union's "sacred" borders. Quietly seething at the session, Secretary of State George Shultz said in commenting on the Gromyko statement that it illustrated "the difference in allocation of weight to security on the one hand and human values on the other. There is no weight given to human values in that kind of statement."

In contrast, Japan estimates that Soviet fighter planes have violated its airspace over 2,000 times in the past year alone. Last November, a Soviet airliner on a scheduled flight went off course and flew over the U.S. Navy submarine base at Groton, Conn. Last March, Cuban airliners strayed from their approved courses and went near Griffis Air Force Base near Rome, N.Y. The airliners were not shot down for their error; the flights were merely suspended for a short time as a penalty.

Those most directly affected by the Soviet action—the airline pilots—are proposing appropriate measures. The council of the 57,000-member international Federation of Airline Pilots has recommended that all member unions boycott all flights to the Soviet Union for at least 60 days. This would be a significant gesture of the world's contempt.

The greatest penalty, however, is the tremendous blow to Soviet prestige and credi-

bility, and this is something Moscow has done to itself.

The uncivilized Soviet behavior hurts a whole range of East-West relations and increases international tensions, but it affects particularly an important aspect of Soviet policy. Just when the Soviet Union is seeking to persuade Western Europe that it has no need to deploy new nuclear missiles, the brutal and callous nature of the Soviet leadership has been freshly demonstrated.●

BAN ON COP-KILLER BULLETS

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. TORRICELLI. Mr. Speaker, I rise today as a strong advocate of legislation to ban cop-killer bullets—armor piercing handgun ammunition which can penetrate bullet-resistant vests worn by police officers. The dangers posed by this ammunition to our Nation's 528,000 police officers is well known. The only purpose of these bullets is to kill human beings wearing bulletproof vests—vests which are credited with saving the lives of more than 400 police officers.

Legislation is now pending before the Congress to ban these cop-killer bullets. These bills, introduced by Representative MARIO BIAGGI and Senator PATRICK MOYNIHAN of New York, now have 170 cosponsors in the House and 15 in the Senate. Furthermore, police groups around the country support these bills with unanimity.

Recently, an editorial appeared in the New York Times supporting this ban on cop-killer bullets. It thoughtfully examines the dangers posed by these bullets and the need for action to outlaw their use and production. I would commend the reading of this editorial to my colleagues. During consideration of this legislation I hope they will reflect on the cogent and compelling views set forth in this editorial.

The article follows:

[From the New York Times, Aug. 29, 1983]

KILL THE "COP-KILLER" BULLETS

"Apple greens" are bullets so hard that without their coating of light green Teflon they would tear up the inside of a gun's barrel when fired. That hardness permits them to penetrate the Kevlar vests credited with saving the lives of more than 400 police officers. Such penetrating bullets offer little advantage to the sportsman. Their only purpose is to kill human beings—whether policemen, presidents or popes—who wear Kevlar vests.

Yet such "cop-killer" ammunition remains available for sale to potential criminals and terrorists. Bills in Congress would ban it, but the Administration has yet to take a position, apparently for fear of offending its friends at the National Rifle Association. This bow to politics is not only misguided, it's dangerous.

Bills introduced by Representative Mario Biaggi and Senator Daniel Moynihan of New York would give Washington authority

to ban handgun ammunition that can penetrate the most common police vest. The bills have 170 co-sponsors in the House and 15 in the Senate.

Police records don't always reveal the kind of ammunition criminals use to shoot officers, so the magnitude of the threat is hard to assess. Mr. Biaggi cites two cases of law enforcement officers shot with the bullets. Armor-piercing bullets are thought to be popular in the Florida drug and gun-running community, where criminals wear vests and want the penetration power for their own wars.

More than half the nation's police now wear the vests, and police groups support the bill with unusual unanimity, from unions to the conservative International Association of Chiefs of Police. Its president says flatly that the bullets have "no legitimate use . . . either in or out of law enforcement."

Such talk prompts anxiety at the N.R.A. The gun lobby values its friendly relations with police, to whom it offers firearms training. It favors voluntary restrictions by manufacturers but gags on the idea of any new regulation, even to protect police lives. So the N.R.A. raises technical issues. The bill is unacceptable, it argues, because it would also ban some hunting rifle ammunition, which, if fired from certain handguns, might penetrate a Kevlar vest.

Those kinds of handguns aren't practical for street crime, and it's unlikely the Feds would ban hunting ammunition because of them. The effect of voluntary controls is dubious. But once the N.R.A., with its conservative following, spoke up, an issue that seemed as appealing as apple pie began to feel more like a hot potato. The Administration referred it to the National Institute of Justice and National Bureau of Standards, in hopes they can produce a definition that will please the N.R.A. The agencies promise a report soon.

There's no reason for Congress even to wait for the agencies' findings. In 1982, a less formal F.B.I. report identified eight kinds of imported and domestically made ammunition that seemed to fit the "cop-killer" category. The Treasury Secretary could be given the power to ban them but forbidden to restrict popular sporting ammunition. The ban might then be extended as further study demonstrated a clear need.

Only the most fanatical gun-lobby ideologues could find fault with that.●

THE GRAND RONDE RESTORATION ACT

HON. LES AU COIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. AU COIN. Mr. Speaker, today, I am introducing legislation to restore Federal status to the Confederated Tribes of Grand Ronde Indians in Polk County.

It enables the tribe to qualify for education, health care, and economic development programs administered by the Bureau of Indian Affairs and other Federal agencies.

With the full support of the community, the Grand Ronde have worked tirelessly to retain their identity as a people, to preserve their culture, and

to achieve economic self-sufficiency. Restoration of tribal status places an important tool in the hands of a tribe which asks for no special privileges, but only for the opportunity to help itself.

I sponsored similar legislation for the Siletz Indians, in Lincoln County in 1977. That bill has demonstrated that restoration is a critical step toward the goal tribes such as the Siletz and Grand Ronde have set for themselves, which is self determination. Examples of possible tribal programs include schools, vocational training programs, and tribal enterprises such as those being operated successfully by the Warm Springs.

The legislation I am introducing today also establishes membership requirements and provides for the election of an interim council which will represent the tribe during its reorganization process.

A constitution and bylaws will be drawn up by the interim council for approval by the tribe. Following the pattern of the Siletz, the tribe and the Bureau of Indian Affairs are authorized to develop plans for a reservation to serve as an economic land base, subject to the approval of Congress.

This bill has received strong, bipartisan support from city, county, and State officials, church groups, and business and civic organizations in Oregon.

The Grand Ronde Restoration Act is endorsed by Gov. Vic Atiyeh, State Senator Dell Isham, and State Representative Paul Hanneman. The commissioners from Polk and Yamhill Counties, the cities of McMinnville, Sheridan, and Willamina, and the Indian tribes of the Siletz, Umatilla, and Warm Springs.

Organizations supporting the legislation include the National Coalition to Support Indian Treaties, the Affiliated Tribes of the Northwest, the Friends Committee on National Legislation, the Catholic Campaign for Human Development, the Presbytery of the Cascades and the Ecumenical Ministries of Oregon, among others.

This bill is the product of years of careful preparation by the Grand Ronde Tribes. The endorsements I have just mentioned show how well the tribe has done its work. Now it is time to take the next step, which is the introduction in Congress of this restoration bill. I am pleased to take that step today, and I am confident this Congress will act to restore to the Confederated Tribes of Grand Ronde Indians the official Federal status and trust relationship with the Government which was taken from them, in a mistaken moment of history, 15 Congresses ago.

I am also pleased that Kathryn Harrison, vice chairman of the Confederated Tribes of Grand Ronde, is in

Washington today for the introduction of this legislation. I would like to include her statement in the RECORD, so my colleagues may have a personal account of the effects of termination.

STATEMENT OF KATHRYN HARRISON, VICE CHAIRMAN, CONFEDERATED TRIBES OF THE GRAND RONDE TRIBAL COUNCIL

Today, for the first time, I feel at peace with my ancestors; the introduction of this restoration bill is a beginning of an ending: a Eulogy and a Greeting!

I am speaking here today, not only for my people back home who are gathered together to celebrate this day, but also for those ancestors who completed our first "Trail of Tears", one hundred and twenty-seven years ago, walking from Table Rock near what is now the city of Medford, Oregon, in a massive military round-up during the wintry month of February, in 1856. It took them thirty-three days to reach the present site of the Grand Rondes. For those proud people who carried on, persisted, even stood alone to preserve our culture, termination was not in their plans at all.

Did they make that walk in vain?

If you know anything about Indian people, especially the history of the Grand Ronde Indians, a history that's not in the history books, you know we have endured much, but we have endured. With the coming of termination in 1954, our second "Trail of Tears" began and is now in the twenty-ninth year; our children know of no other way of life.

The economic impact was devastating and we became "experts" on poverty; our original reservation of 69,000 acres, with proper management, could have been a continuing, on-going support for us. As a terminated tribe, we suffer from problems in addition to issues confronting other tribes. Without resources, we are a minority among recognized tribes, yet we are not considered as equals either in the dominant society.

It has taken a lot of hard work, depressing and discouraging at times, but there has always been the feeling that, as extensions of our ancestors, this restoration effort is the carrying out to their visions—and so we could always reach back to their strengths and wisdom. Because of this, we have seen organizations come and go, yet the Grand Ronde tribe continues. Our roots are there, but we need those roots confirmed by restoration. We are not only looking at strengthening our culture, we are also interested in working for economic betterment, and, so by helping ourselves, we are helping the total community.

Termination of Indian tribes has been discredited by all of the Presidents since President Nixon, yet my tribe is still terminated.

But, now, Congressman AuCoin knows and understands our plight and has joined us in our long walk toward rejoining the family of Indian nations. By introducing our restoration bill today, he is giving us new hope that there is still "Liberty and Justice for All" in this United States of America.●

MEMORIAL ADDRESS BY PHIL CRANE HONORING LARRY McDONALD

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. SOLOMON. Mr. Speaker, the needless, unprovoked murder of our fine colleague, Larry McDonald, and 268 other innocent civilians aboard a Korean airliner by a Soviet pilot which shocked and sickened the free world, brought forth countless words of justified praise for Congressman McDonald. The gentleman from Illinois, PHIL CRANE, in his address at Constitution Hall on Sunday, September 11 at the memorial service honoring Congressman Lawrence Patton McDonald and the other passengers onboard Korean Air Lines flight 007, summed up best the brutal attack by an agent of the Godless Soviet Union, and the loss of one of the finest Members ever to serve in the House of Representatives. Mister Speaker, I request permission to place Congressman CRANE's remarks in the RECORD.

The remarks follow:

Kathy, Tryggvi, members of the McDonald family, bereaved loved ones here and beyond, on September 1 of this year, the Communist tyrants of the Soviet Union shocked most people in the civilized world with an incredibly cruel and cowardly act.

Two hundred and sixty-nine defenseless men, women and children were murdered in cold blood on Korean Airline's flight 007.

But why should anyone have been shocked or surprised by this monstrous atrocity?

The man who presides over the grotesque police state in the Soviet Union is the man who stands accused in the court of world opinion for having authorized the assassination attempt against Pope John Paul II.

Why should anyone be shocked or surprised that a dictator, who sought to murder this Prince of Peace, would order the murder of a plane full of innocent civilians?

Why should anyone be shocked or surprised that this inhumane ruler, who superintended the butchery of Budapest and the bloody persecution of Prague, would order the murder of a plane full of innocent civilians?

Why should anyone be shocked or surprised that this cynical sadist, who orchestrated the rape of Afghanistan, would order the murder of a plane full of innocent civilians?

Why should anyone be shocked or surprised that this barbaric paranoid, who sanctions the use of chemical and biological weapons against defenseless women and children, would order the murder of a plane full of innocent civilians?

No, Samantha, they are not just like us.

The ruthless rulers of the Soviet empire are psychopathic subhumans who kill without provocation and without conscience. They are obscene. They violate the laws of God and nature. The most vicious beasts of the jungle do not match the atrocities that this form of evil species in pinstripe suits can perpetrate.

So, no one should be shocked or surprised by their latest crime against humanity, which they boldly declare they are prepared to commit again. This threat must be taken seriously. Their track record proves they mean it.

Scores of millions of human victims of communism preceded the precious souls who took the ill-fated Korean Airline's flight that ended in terror on the night of September first.

As I flew back to Washington this morning, I tried to imagine the horror of an explosion at 35,000 feet. Was there time for loved ones to have one last frightening embrace? Was there time to clutch a frightened child? Did the pilots fleetingly think they might bring their precious cargo to a safe haven? Did Congressman Larry McDonald suspect that a lifetime of commitment to exposing the inhumanity of Communism would end at the hands of the evil forces he had tried to expose?

I first met Congressman McDonald in Ann Arbor, Michigan, over 20 years ago. At that time he was completing a residency in urology. He had committed himself to serving the suffering.

I was impressed with Larry upon that first meeting. He was brilliant, he was dedicated, he was a man of integrity. We kept bumping into one another through the years and fate finally brought us together as colleagues in the House of Representatives.

Frankly, I was surprised that Larry would forego a successful career in medicine for the frustrations and burdens of a political career.

But he had such illustrious predecessors in this pursuit as Dr. Benjamin Rush at the inception of the Republic down to Dr. Walter Judd in our own time.

These men, as Larry, were trained to save lives and relieve suffering. They turned their talents, instead, to a larger task—saving the Republic and relieving the suffering of a civilization under siege from the deadly virus of statism and collectivism.

No one in this Congress was as knowledgeable, intelligent, and dedicated in his commitment to expose the sickness of world communism as Larry McDonald. Ironically, tonight on television, a documentary of KGB terrorism at home and abroad, which was prepared by Larry, will be premiered.

Superficial media personalities attempted to compartmentalize him as simply "anti-communist." This sort of convenient stereotyping prevented such mental Merrimacs of the media from recognizing Larry's profound commitment to the preservation of the highest ideals of western civilization: individual liberty under the sovereignty of God, the dignity of man, limited Constitutional government, a free economy, and preservation of our nation's strength as the last, best hope of mankind.

Kinship is not so much based upon blood as shared values. Larry McDonald, in that sense, was a cherished brother in the eternal struggle to preserve human values and the ideals of our Judeo-Christian tradition.

Now he has joined that celestial fraternity of patriot statesmen, who have paid the last full measure of devotion every generation since the founding of this beacon of hope for mankind.

If Larry's life, and that of the other 268 souls who boarded flight 007, are not to be in vain, the free world must recognize the menace of communism for what it is.

It is the embodiment of evil. It is the Beast that wages unending warfare against

all decent values and ideals that have surfaced over 5,000 years of recorded history.

Let those who mourn rededicate and reconsecrate themselves to the task of preserving civilized values in the face of the ceaseless assault upon them, which in our own time is represented by communism, just as it was by nazism for a previous generation. The war is eternal. Larry McDonald is just one more casualty in that struggle.

Larry recognized that the ultimate battle on this earth is between material and spiritual values. Atheistic communism attempts to hold out the lure of heaven on earth, and in the process has condemned its advocates to hell, now and forevermore.

On June 30th of this year, Larry inserted into the CONGRESSIONAL RECORD the Templeton address delivered by Alexandr Solzhenitsyn in Great Britain.

In his remarks, prefacing Solzhenitsyn's speech, Congressman McDonald said: Solzhenitsyn "is quite correct when he stressed that the ideological battle in the world is between things spiritual and material. The Soviet Union knows this and that is why they fear the Bible more than our ICBMs."

Solzhenitsyn, in that historic speech, stated:

"Instead of the ill advised hopes of the last two centuries, which have reduced us to insignificance and brought us to the brink of nuclear and nonnuclear death, we can only reach with determination for the warm hand of God, which we have so rashly and self-confidently pushed away. It was this our eyes could be opened to the errors of this unfortunate twentieth century and our hands could be directed to act them right. There is nothing else to cling to in the landslide; all the thinkers of the Enlightenment can give us nothing."

We can be assured that Congressman McDonald, at that fateful moment he and his passengers were mercilessly shot out of the sky, reached out "for the warm hand of God."

If the civilized world, in the face of this senselessly brutal tragedy, joins him in reaching "for the warm hand of God," the forces of evil cannot prevail and those we eulogize today will not have died in vain.

God bless you Larry. You will not be forgotten. And comfort, dear Lord, the families of all who perished in the Korean Air Lines' massacre.●

THE PENTAGON, NERVE GAS, AND IRRESPONSIBILITY

HON. TOM LANTOS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. LANTOS. Mr. Speaker, my distinguished colleague, Mr. ZABLOCKI, who chairs the House Committee on Foreign Affairs, has written an excellent analysis of the House-Senate conference committee report on the Defense Department authorization. It raises serious questions about the process by which funds for the production of binary nerve gas weapons were included in the conference report.

As Chairman ZABLOCKI pointed out, the House overwhelmingly voted against spending for the production of binary nerve gas weapons earlier. Furthermore, such weapons are costly and

unnecessary. Unfortunately, it is not possible to vote against that single provision of the conference report and for the remainder of the Defense authorization bill. The will of the majority of the House has been ignored in the conference report, and a vote against the entire report is the only alternative open to us on this issue.

I commend this article to my colleagues in the House and encourage them to join in voting against the conference report.

[From the Washington Times, Sept. 14, 1983]

THE PENTAGON, NERVE GAS, AND IRRESPONSIBILITY

(By Clement Zablocki)

The recent decision by a House-Senate conference committee to approve funds for the production of binary nerve gas weapons carries grave foreign policy, arms control and budgetary implications. But more than that, the conferees' action on the fiscal 1984 defense authorization bill flies in the face of one of the most important principles of our democratic system: majority rule.

On June 15, 1983, the House approved 256 to 161 an amendment offered by myself and Rep. Ed Bethune, R-Ark., to prohibit spending \$114.6 million for the production of binary nerve gas weapons. A month later, the Senate rejected by the narrowest of margins—50 to 49—a similar amendment proposed by Sen. David Pryor, R-Ark., which also would have barred resumed nerve-gas production.

The Senate itself was evenly divided on the issue, the tie-breaking vote on the Pryor amendment being cast not by a senator, but rather by the vice president of the United States, a representative of the administration.

A simple tally of the two recorded votes on the binary nerve gas program clearly demonstrates the firm majority opposition in congress to further expenditures on this unnecessary military program. Those opposing new nerve gas production total 305; those favoring it only 211.

How then, one is compelled to ask, could a conference committee formed to resolve issues of disagreement between the House and the Senate produce a result that is not supported by a majority of legislators in either chamber?

The answer can only be found by a closer examination of the membership of the conference committee itself. Unlike Congress as a whole, a majority of the members of both the Senate and House Armed Services Committee support production of binary nerve gas weapons. It was, therefore, a relatively simple task for the conferees, all members of these two committees, to decide in favor of the Pentagon's poison gas program.

The conference committee acted in disregard for the views of a clear majority of Congress. Those conferees who voted to resume nerve gas production allowed their personal opinions and beliefs—not the will of the American people—to guide their actions. As a result, a costly and militarily unnecessary weapons system—for which there is not support among a majority of members of either the Senate or the House—has been given the initial go-ahead.

Such legislative irresponsibility does not bode well for the the future of our democratic system.

If other committees were to follow this example, Congress would soon cease to be a

deliberative and truly representative body. Major domestic and foreign policy decisions would be made by a select group of self-professed experts. Non-committee members would quickly conclude that to articulate their views and those of their constituents on a given issue would be a futile exercise.

It is quite clear that our founding fathers did not envision such a decision-making process. Our democratic system has flourished precisely because a variety of points of view have been tolerated and, indeed, encouraged. In the final analysis, the views of the majority have properly prevailed.

As Congress returns to Washington, I intend to vote against the entire fiscal year 1984 defense authorization conference report unless the binary nerve gas production funds have been deleted.

This will be the first time in my 35 years of service in the House that I have opposed a defense bill.

My vote against the defense conference reports is not a vote against a strong national defense. On the contrary, by reaffirming our clear opposition to this counterproductive military program, we in Congress preserve both our national security interests and our democratic system of government.●

TRIBUTE TO HISPANIC HERITAGE

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 13, 1983

● Mr. TORRICELLI. Mr. Speaker, today I rise to pay tribute to the many important contributions the Hispanic community has made to our history, our society, and our culture. Throughout our Nation's history, Hispanics have played a vital role in the development of our country. Their spirit, their pride, their accomplishments have all added much to the strength of our Nation.

Oscar Handlin, the historian, observed: "Once I thought to write a history of immigrants in America. Then I discovered that immigrants were American history." Indeed, our history, our society has been enriched, and continues to be enriched, by the contributions of the Hispanic community.

Politically, we have seen the Hispanic community continue to make steady and significant gains. Undeniably, they have become a viable and vital political force throughout our country and at all levels of government. It is projected by the year 1990 Hispanics will become the largest minority in the United States. Inevitably, the Hispanic community will continue to play an important role in our Nation's political development.

Historically, Hispanics have displayed courage on the field of battle defending America's democratic ideals. Let us never forget that Hispanic servicemen have received more Medals of Honor—37—than have members of any other American ethnic group.

Culturally, the Hispanic community has greatly influenced our national heritage. The United States is a land of cultural and political diversity. This diversity makes us stronger and enhances our way of life. Hispanic culture, Hispanic entrepreneurs, and Hispanic leaders have greatly contributed to this diversity.

I welcome this opportunity to join with my colleagues in recognizing the important contributions of the Hispanic community. Next week, when our country celebrates National Hispanic Heritage Week, I hope all Americans will take time to reflect on how Hispanics have greatly enhanced our way of life. ●

MOBIL CAPTIVE INSURER CASE SHOWS WHY STATES NEED UNITARY TAX SYSTEMS

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. STARK. Mr. Speaker, this summer, the Supreme Court in the Container Corporation case upheld the right of States to use very simple apportionment formulae to impose taxes on big multistate and multinational corporations. These formulas are in lieu of the States' small Departments of Taxation attempting to physically audit the books of these giant corporations—some of them much larger fiscally than the States themselves—in a futile effort to accurately determine the profits earned in each State.

Predictably, the big multinationals are launching a drive in Congress to overturn the Supreme Court's decision and prevent the unitary method of taxation.

Mr. Speaker, it is impossible for the Federal Government to get the cooperation of the big companies in honestly and fairly reporting their international operations—and to expect the States to do so is Alice-in-Wonderland mentality. Corporate profits in the face of a State tax auditor are like the Cheshire cat—they just dissolve into some other State or nation, and escape taxation.

Instead of repealing the unitary method, it would make sense for the Federal Government to adopt it.

The following article from the Wall Street Journal of July 19 on Mobil's latest tax avoidance gimmick explains why the unitary system must be preserved.

[From the Wall Street Journal, Sept. 19, 1983]

MOBIL SUIT SHEDS LIGHT ON FIRMS' DEALINGS WITH THEIR OFFSHORE 'CAPTIVE' INSURERS

(By Daniel Hertzberg)

NEW YORK.—A little-noticed federal court case here is shedding light on the often-

shadowy financial dealings between U.S. corporations and their offshore "captive" insurance companies.

Hundreds of U.S. corporations have set up insurance subsidiaries, nicknamed "captives," in offshore tax havens like Bermuda to insure themselves. Some captives then branch out to insure outsiders, too.

The case, which went to trial before a U.S. Court of Claims judge last week, pits Mobil Corp., the giant oil company, against the U.S. government. Mobil is asking for \$60 million, a large part of which comes from deductions it says the Internal Revenue Service wrongfully denied it for premiums paid to four Mobil-owned offshore insurance companies from 1961 to 1969.

The government claims that insurance transactions between Mobil, Mobil affiliates and the four captive insurers were primarily for tax purposes and "were shams."

Justice Department lawyers, in court papers and courtroom statements, contend that Mobil allowed its offshore insurance companies to charge excessively high premiums to Mobil affiliates, premiums for which Mobil expected to receive a deduction on its U.S. taxes.

These insurance transactions were structured so that the four offshore insurers were able to make profits "many times" those of commercial insurance companies, the government says.

The money switched from Mobil and its affiliates to the four Mobil captives was intended to remain outside the U.S. and free from U.S. taxes, the government says. In turn, the Mobil captives made these "profits" available to Mobil's foreign affiliates through loans and other financial transactions, the government says.

The government claims that the kinds of transactions Mobil engaged in are commonplace. In his opening statement, William B. Barker, a government attorney, contends that the Mobil case illustrates "abuses which are systemic" among many captive insurance companies.

Mobil, in court papers, denies that the four captive insurers were organized or acquired so that Mobil or its affiliates could "avoid or evade" federal income taxes. And it says that the premiums charged by its captives were "fair and reasonable."

Captive insurance is a major, though secrecy-shrouded, industry. Experts estimate that more than 200 of the U.S.'s top 500 companies have captives, as do thousands of smaller companies and trade associations. Captive insurers currently bring in \$4 billion to \$5 billion a year in insurance premiums, say officials in Bermuda, the largest haven with 1,200 captives.

U.S. companies can deduct premiums paid to insurance companies. But sums set aside for self-insurance aren't deductible. Companies that set up offshore captives generally get to deduct premiums they pay, escape U.S. taxes on their insurance subsidiaries, and avoid U.S. insurance regulation.

Mobil set up its first offshore captive, General Overseas Insurance Co., in 1958. By 1969, GOIC was writing insurance and reinsurance for more than 120 Mobil-related companies. The Mobil captives involved in the tax dispute are GOIC, Bluefield Insurance Ltd., Westchester Insurance Co., and Bishopsgate Insurance Co., all based outside the U.S. during 1961 to 1969.

One major contention by the U.S. is that the premiums GOIC, Bluefield, Bishopsgate and Westchester charged Mobil and its affiliates for insurance protection were excessive and allowed the insurers to run up massive profits.

For example, data submitted by the Justice Department to the court show that GOIC and Bluefield together in 1961 were 14.9 times more profitable than the typical stockholder-owned U.S. reinsurer; in 1962, they were 21.8 times more profitable, and in 1963, 117.3 times more profitable. The earnings figures don't include profits from investment.

The government contends that no risk was ever shifted to the four captives since Mobil "was ultimately liable" for all their losses. Therefore, the payments made to the captives were merely a form of self-insurance for which deductions aren't allowed, the government says.

It says that Mobil's insurance setup was merely a means by which Mobil "transferred money to its affiliates and claimed tax deductions on the process and avoided tax on the 'profits' of the deals."

The IRS has only had limited success in trying to curb captives. One government victory, in a court case involving Carnation Co.'s Three Flowers Assurance Co., has prompted many U.S. corporations to direct their captives to write outside business to maintain their status as insurers. However, some captives recently have run up big losses writing these outside risks.

According to court papers, one government witness, Irving H. Plotkin, and Arthur D. Little Inc. economist, will argue that even taking on outside risks doesn't change the fact that captive insurance companies represent a form of self-insurance and don't qualify for a tax deduction.

However, Treasury Department officials and insurance lawyers believe this sweeping legal argument doesn't signal a policy switch by the IRS, but does probably represent a legal bargaining position. "I believe the IRS is fighting a losing battle on this," says Felix Kloman, president of Risk Planning Group, an insurance consulting firm. "There are just too many captives, over 1,600 world-wide."

Meanwhile, Mobil's lawyer, Fenton J. Burke, accused the IRS of "waffling" in its attitude toward Mobil's captive-insurance activities, allowing deductions in some years while disallowing them in others. ●

EXPLANATION OF VOTE

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. BEREUTER. Mr. Speaker, I was unavoidably detained on business and was unable to vote on final passage on H.R. 5 on September 14, 1983. Had I been present I would have voted "nay." ●

PENSIONS AND TAX COLLECTIONS

HON. JOHN N. ERLBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. ERLBORN. Mr. Speaker, as one who has been intimately involved in retirement income matters for many years, I have listened attentively

to the dialog that has accompanied the significant changes made recently in Federal tax laws affecting employer-sponsored and individually established retirement programs. It has often centered on statistics suggesting that the favorable tax considerations allowed for contributions to pension plans, including individual retirement accounts, have an unfavorable effect on Federal tax collections. Those statistics were difficult for me to accept on their face, and now we have a respected, private think-tank devoted to the study of employee benefits raising hard questions with regard to placing reliance on the numbers involved.

The original paper, known as EBRI Issue Brief No. 17—Retirement Program Tax Expenditures: A Case of Unsubstantiated, Undocumented, Arbitrary Numbers—was lengthy and highly technical, so Employee Benefit Research Institute Executive Director Dallas Salisbury had the following condensation prepared. I commend it to my colleagues. The issue is a recurring one in Congress, and of much importance to anyone who hopes to get a pension, or any other retirement income as a result of employment, and to anyone who pays taxes.

The following information was submitted for the RECORD:

RETIREMENT PROGRAM TAX EXPENDITURES: AN ASSESSMENT

During the last two years there have been significant changes in federal tax laws affecting employer sponsored and individually established retirement programs. The Economic Recovery Tax Act (ERTA) of 1981 expanded the availability of Individual Retirement Accounts (IRAs) to include workers already covered by a pension plan. The Tax Equity and Fiscal Responsibility Act (TEFRA) of 1982 reduced tax exempt contribution limits for many private plans.

These and earlier provisions of the U.S. Tax Code have been the subject of much discussion and debate in recent years. The dialogue has often centered on the impact that favorable tax provisions allowed pensions and individual retirement programs have on federal tax collections.

CONCEPTUAL BACKGROUND ON RETIREMENT PROGRAM TAX EXPENDITURES

As the Budget of the United States Government is prepared each year a set of "tax expenditure" estimates is developed by the Treasury Department and published as part of the Budget.

The Congressional Budget Act of 1974 (Public Law 93-344) formally institutionalized "tax expenditures" as part of the regular Budget document. The act defined tax expenditures as "revenue losses attributable to provisions of the Federal tax laws which allow a special exclusion, exemption, or deduction from gross income or which provide a special credit, a preferential rate of tax, or a deferral of tax liability."¹ Within this

context, tax expenditures are defined as "exceptions to the normal structure" of individual and corporate tax rates.

A problem with the concept of tax expenditures is that the tax code does not include a definition of the "normal structure" of the tax system. As a result the practical definitions that have arisen in the measurement of annual tax expenditures are not always consistent within or across categories, or from year to year.

In the case of private retirement program tax expenditures, the largest single category of tax expenditure in the 1984 Budget, the Treasury estimates the federal tax revenue losses that arise because pension and IRA contributions and the fund earnings are not taxed currently even though taxes will be paid when benefits are ultimately paid. The theoretical basis for these estimates is that if employer contributions to pension trusts or individual contributions to IRAs, or investment earnings on the assets were taken as regular income, additional tax obligations would arise at the time the contribution is made or when the investment return is paid. The amount of this particular tax expenditure represents taxes deferred, not taxes foregone.

METHODOLOGICAL PROBLEMS IN RETIREMENT PROGRAM TAX EXPENDITURE ESTIMATES

The actual estimation of tax expenditures for retirement programs is a step process. First, Treasury estimates the foregone taxes from exempting employer pension contributions and personal IRA contributions and the interest paid to these funds. From this foregone collections estimate Treasury subtracts the estimated tax collections on pension benefits paid. The net difference is what they currently call the estimated tax expenditure resulting from the tax treatment of retirement programs.

From a purely conceptual basis the tax expenditure estimates in this instance are questionable because the estimation procedure does not even attempt to account for the significant difference in tax collections on current benefits paid and the time discounted value of future tax collections based on current contributions under these plans.

In the current Treasury estimates of tax expenditures for retirement programs the foregone revenues are estimated on the basis of one set of individuals and the tax collections on pension benefits are estimated on a totally different set of individuals. This procedure upwardly biases the estimated tax expenditure for two reasons.

The first is that current workers will have higher real earnings levels over their lifetime than current beneficiaries.

The second is that the pension system in this country is not yet mature.

EBRI's prior research has shown a strong relationship between a pension plan age and the number of beneficiaries it pays relative to current workers covered by the plan. As the system matures, the ratio of workers to beneficiaries will markedly decline, much as the ratio of workers to beneficiaries in the Social Security program declined during the 1950s and 1960s. The ratio will decline not because of fewer covered workers, but because of more beneficiaries. The relatively small number of beneficiaries today, however, results in significant overestimates of retirement program tax expenditures.

UNEXPLAINED VARIATIONS IN THE ESTIMATES

From a more practical policy analysis perspective, the estimates are further flawed

because of the totally unexplained variations in estimates from year to year.

The 1981 Budget estimate of this particular tax expenditure for fiscal year 1981 was \$14.7 billion. The 1982 Budget estimated the 1981 fiscal year tax expenditure for the identical category of plans at \$23.6 billion—a 60 percent increase. The estimated fiscal 1982 tax expenditure was 75.7 percent higher in the 1984 Budget than in the 1983 Budget. The projected growth in this category of tax expenditure during fiscal 1983 was 254.8 percent higher in the 1984 Budget than in the prior budget's estimate. None of the Budget materials or other public documents explain the revised estimates.

INCONSISTENCIES IN IRA TAX EXPENDITURE ESTIMATES

The budget does not include separate estimates of the "tax expenditures" that are attributable to IRAs. The IRA related tax expenditures are embedded in a broader category of retirement "plans for self-employed and others." One might have expected significant increases in the tax expenditure estimates between the 1982 and 1983 Budgets, in particular, because of the passage of ERTA which roughly doubled IRA eligibility for 1982. Yet this 1982 tax expenditure estimate only increased by 11 percent between the two annual Budgets.

EBRI released updated IRA data on November 19, 1982 showing that IRA contributions during fiscal 1982 had to have been at least \$21 billion. A more recent update indicated that IRA balances by the end of the 1982 tax year had reached \$80 billion. That means that within the 1982 tax year new IRA contributions equaled at least \$50 billion. The Treasury Department uses an average marginal tax rate of approximately 30 percent to estimate the pension tax expenditures and slightly lower rates to estimate the IRA related expenditures. Assuming a rate of 28 percent would yield an IRA tax expenditure for the 1982 tax year of at least \$14 billion; at least three times the Treasury estimate.

OTHER INCONSISTENCIES

The abstract concept of tax expenditures has been applied to private pensions for some years now. The application of the concept has not recognized that the implementation of ERISA's minimum funding standards has escalated private employer's contribution rates in many instances. The more rapid funding of pension obligations in compliance with federal law has contributed to the growth in the tax expenditure estimates. By enhancing the "Retirement Income Security," provided by pensions, the primary goal of ERISA, tax treatment is now being questioned because the resulting increase in tax expenditures heightens political pressure to reduce contribution levels. The tax expenditure concept is now being applied to state and local and federal civilian plans as well. The military retirement program is not included. Why isn't the military retirement program included? One reason is that the military retirement program is totally unfunded with outstanding unfunded liabilities at the end of fiscal 1981 of \$476.9 billion. Under the computation method used to estimate them no tax expenditure arises in this case. There is no contribution to or interest paid to a trust fund since none exists. The benefits paid are all taxable since the program is noncontributory. Were private pensions similarly "pay-as-you-go," they would also produce no "tax expenditure."

¹ Special Analyses Budget of the United States Government Fiscal Year, 1981 (Washington, D.C.: Office of Management and Budget, 1980) p. 207.

The Civil Service plan is also largely financed on a pay-as-you-go basis. If these two retirement plans had met their normal cost contribution plus the 40 year annual amortization schedule stipulated in ERISA as the minimum funding requirement for private plans established before 1974, the total employer contribution to these two plans would have been \$89.2 billion during fiscal 1981.² This is 48.5 percent more than the total employer contribution going to all private plans in 1981. In other words, only one-fifth (\$18.2 billion) of the federal contribution that would be required of private plans under ERISA is considered in the tax expenditure estimates when the Treasury Department estimates these for federal plans.

To make estimates of tax expenditures consistent, the federal plans' tax expenditure estimates should be generated on a basis consistent with those used to estimate the private plan number.

Because of the significant differences in plans across the various sectors and the role of government sponsorship or regulation, the tax expenditure estimates should be presented separately for federal, state and local, and private plans.

RELATIONSHIP TO OTHER TAX EXPENDITURE CATEGORIES

Each of the tax expenditures is calculated on an item by item basis at the margin. That is, each is calculated as though all other exceptions are part of the normal structure for purposes of deriving the estimate. This ignores the extent to which one "exception" might be magnified because of the existence of others.

For example, consider the case of a 66-year-old single man who received \$8,400 in Social Security benefits during 1982 and an additional \$8,400 in pension benefits. Assume there was no other income received and no special deductions considered for calculating tax liability. This person would have adjusted gross income of \$8,400 under current law. He would be eligible for a double exemption since he was over age 65 and so his taxable income would be \$6,400. Schedule X of 1982 Federal Income Tax Tables indicates a tax liability of \$592.

Assume as an alternative, that this man had not enjoyed the double exemptions for being over age 65 or the nontaxability of Social Security benefits. These two provisions of the tax law are considered to be "exceptions to the normal structure" because tax expenditures are calculated for them as well. The Treasury analysts use the actual \$592 in taxes paid on current benefits to estimate pension tax expenditures. However, if these other two "exceptions to the normal structure" of taxes did not exist then the man's 1982 tax liability would be \$2,546.

It is clear that other "exceptions to the normal structure" give rise to large portions of tax expenditures attributed to pensions because they drastically lower marginal tax rates for the elderly.

The utility of the pension tax expenditures estimate then is extremely limited unless considered in the broader context of other tax provisions. Yet virtually no analysis of this kind is now available.

² This is based on actuarial reports on the Civil Service Retirement System and military retirement program filed with the United States Congress in compliance with Public law 95-595 for fiscal year 1981.

CONCLUSIONS

Many observers of pension programs point to the tax expenditure numbers as a basis for significant tax policy and pension reform. These persons have not undertaken a thorough review of the numbers that are published in the Budget each year. They have not considered the structure of other tax code provisions that affect the estimates. They have not considered the life cycle structure of earnings, benefit accruals and marginal tax rates that provide a radically different distribution of the tax expenditures than the more generally used cross sectional analyses. They have totally ignored the inconsistencies in the actual calculation of these estimates, to say nothing of the significant methodological deficiencies in the calculation procedure.

Until the Treasury Department is willing to spell out in detail the derivation and numerical basis of these estimates they should be treated as nothing more than idle musings or random numbers. To seriously base any policy deliberation or decision on totally unsubstantiated, but clearly flawed numbers may result in the implementation of undesirable policies. ●

DIALOG ON AIRBAGS

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. PORTER. Mr. Speaker, the Supreme Court recently ruled in *Motor Vehicle Manufacturers Association of United States against State Farm Mutual Automobile Insurance Co.*, that the National Traffic Safety Administration's (NHTSA) decision to overturn the automatic crash protection standard was "arbitrary and capricious." The matter has now been remanded to the Department of Transportation for further consideration.

On July 5, 1983, the Chicago Tribune printed an editorial commenting on the Court's decision and criticizing this important auto-safety regulation. Donald L. Schaffer, senior vice president, secretary, and general counsel of Allstate Insurance Co., prepared a very thoughtful response which the Tribune also printed.

The Appropriations Committee, on which I serve, considered the automatic-crash-protection issue in connection with the fiscal year 1984 transportation appropriations bill and provided additional money for a Government test fleet of airbag equipped cars. In the report which accompanied this bill, H.R. 3329, the Appropriations Committee urged NHTSA to encourage a private fleet purchase of airbag vehicles and directed the agency to submit a report early next year to the committee on the reliability, cost, and public attitudes regarding airbags, as well as information about technological improvements to lower costs.

I hope that NHTSA will move expeditiously on these matters so that

automatic crash protection—airbags and automatic safety belts—can be made easily available to the American public at an early date. This action would go a long way toward solving what has become one of America's most serious public health problems—automobile death and injury.

I am offering for my colleagues' information the editorial and Mr. Schaffer's response.

[The articles follow:]

[Editorial from the Chicago Tribune, July 5, 1983]

A PUNCH IN THE NOSE

The Supreme Court's unanimous decision overturning the Reagan administration decision against requiring airbags and automatic seatbelts in new cars came as a surprise. It is being taken as an indication that the court may be cool on deregulation. In fact, it simply reflects a careful reading of a law passed by Congress.

The airbag, a bloated bubble that is supposed to come up from under the dashboard and smack you safely back into your seat in case of a crash, has become a symbol of onerous safety requirements forced upon consumers whether they want them or not. Why should all purchasers of cars be required to pay for expensive items that are designed to outwit those drivers who insist on not using their seatbelts?

But this was not the issue before the court. The law under which the airbag regulation was first proposed gave the Department of Transportation the power to require safety devices if they meet certain tests of feasibility and effectiveness. The evidence supporting the original regulation met these tests. In order to repeal it, the department had to show that its original judgment had been erroneous. The Supreme Court simply said that the Reagan administration had failed to produce such evidence.

If there is a problem, then, it is in the wording of the law or in the presentation made by the Department of Transportation justifying rescission. If you don't like the idea of an airbag waiting under your dash to punch you in the nose or prefer to trust yourself to buckle your seatbelt rather than pay for an expensive device to take the matter out of your own hands, don't direct your anger at the court. Push for a change in the law or hope the Transportation Department makes a better factual case supporting deregulation than it did the first time around.

[From the Chicago Tribune, Aug. 16, 1983]

CLEARING THE AIR ABOUT AIR BAGS

(By Donald L. Schaffer)

The use of technology to save lives and prevent injuries in automobile crashes is again in the news. The recent unanimous decision of the U.S. Supreme Court holding that the Department of Transportation illegally and improperly rescinded the automatic crash protection rules has focused attention on this issue. The rescinded rule would have required automobile manufacturers to make available to the public a choice of air bags or automatic belts. The court sent the matter back to the department for reconsideration.

If all automobiles were equipped with such automatic restraints as air bags we could save around 10,000 lives annually and prevent hundreds of thousands of injuries.

Insurance companies are especially interested in this issue, and Allstate Insurance Co. has been a leader in testing and verifying the effectiveness of air bags in saving lives and preventing injuries. Allstate has operated the largest private fleet of air bag equipped cars from 1972 to the present. These included 1972 Mercurys, 1973 Chevrolts, 1974-5-6 Oldsmobiles and 1975 Volkswagens. I and many other Allstate employees drove these cars. The fleet traveled tens of millions of miles in all geographic areas of the country and under all climatic conditions. The air bags performed perfectly—there was never an inadvertent inflation and several employees were involved in crashes in which the air bag protected them from death or serious injury. I, myself, was involved in an air bag crash—the system performed perfectly and I escaped injury. But none are presently being manufactured, and Allstate cannot replace its air bag fleet nor can I purchase an air bag car [although Mercedes sells air bag cars in Europe].

The air bag protects all front seat passengers in front and front angle crashes and does so much more effectively and at much higher speeds than any present belt system. It also furnishes facial protection [which no belt can do], which is the reason Mercedes thinks an air bag is important even for those who use seat belts.

In its most recent editorial against the air bag, *The Tribune* concluded by saying Congress should legislate against the Supreme Court decision and give the auto companies a chance to promote their own safety ideas. In fact the automobile industry has refused to do so and the Supreme Court used that failure as a reason for their decision saying, "Indeed, the Motor Vehicle Safety Act was necessary because the industry was not sufficiently responsive to safety concerns." If automobile manufacturers had air bags available as a reasonable cost option, there would be no need for such a regulation. But they have refused this course and opposed any attempts to require optional availability.

The Supreme Court went on to say: "The automobile industry has opted for the passive belt over the air bag, but surely it is not enough that the regulated industry has eschewed a given safety device. For nearly a decade, the automobile industry waged the regulatory equivalent of war against the air bag and lost—the inflatable restraint was proven sufficiently effective."

In its editorial, *The Tribune* called the air bag the "bloated bubble" that "punches you in the nose." Having been involved in a crash in which I was cushioned and protected by the air bag, I think of it in much more affectionate terms. I also feel the public is entitled to be informed of its effectiveness and reliability.

Virtually the entire automobile insurance business supports air bag availability as standard equipment. Mercedes describes their work since 1970 with the air bag as follows: "In total over 25,000,000 Deutchmarks have been invested [by Mercedes] in this additional safety innovation. It has now been thoroughly tested and proven—over 50 million kilometers with no malfunctions." The medical profession through the American Society of Pediatricians, the American Trauma Society, the Public Health Association, Physicians for Emergency Medicine, the American Nurses Association, the Epilepsy Foundation, and many other medical organizations have for many years supported air bags as standard equipment. So have the National Association of Insurance Com-

missioners and the International Association of Chiefs of Police as well as Mothers Against Drunk Driving [MADD].

Three United States court of appeals decisions and the recent Supreme Court case have all validated the reliability and effectiveness of the air bag.

Recent testimony by air bag suppliers pegged the cost for a full front-seat air bag system at \$185 including a liberal allowance for manufacturer's profit and dealer's mark-up if produced in volume and marketed aggressively. Less than a vinyl roof.

This is not a philosophic but rather a technological issue. The technology is available to save 10,000 lives annually and prevent hundreds of thousands of injuries. Air bags are effective and cost beneficial. They should be available as standard equipment on all automobiles.●

THE CASE FOR THE CLINCH RIVER BREEDER REACTOR

HON. MARILYN LLOYD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mrs. LLOYD. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

[From the Philadelphia Inquirer, Aug. 22, 1983]

THE CASE FOR THE CLINCH RIVER BREEDER REACTOR

(By Bernard L. Cohen)

What technology can provide all the energy mankind will ever need? Most people would say solar energy, but there is another answer that has many advantages—the breeder reactor. Even if the long range cost reduction goals for solar energy, established by the Carter Administration, are eventually achieved, solar electricity will be much more expensive than that from the breeder. But those goals are based on solar being used as a supplement, like powering air conditioners on sunny Summer afternoons. If solar were required to provide all of our electricity even during long Winter cloudy periods, it would be five times more expensive.

As with solar energy, fuel prices or scarcity can never be a problem with the breeder. The present price of its raw fuel corresponds to gasoline selling at 40 gallons for a penny, and it can never rise above the equivalent of 1¢ per gallon even if breeders were to provide all of mankind's energy for the remaining 5 billion years that the Earth will be inhabitable.

There is a widespread impression that breeder reactors may have safety and environmental problems, but most scientific studies (e.g. Dept. of Energy's Health and Environmental Risk Assessment Program) have concluded that their health and environmental impacts are much milder than those of solar energy when construction and material acquisition are included.

Because of these impressive advantages, breeder reactors are being rapidly developed all over the world. France, Britain, Russia, and Germany are well ahead of us in this endeavor, and Japan is now passing us. If we drop out of the race now, we will have to buy our breeders from them just as they now must buy our commercial airliners.

The principal argument against the U.S. breeder is that present type reactors can

produce electricity at 25 percent lower cost, and this situation may last for another 50 years or so before our rich uranium ores are exhausted. This gives us a 50 year grace period that other countries don't have. But we can't be sure of our uranium resources; they may be much less and a breeder program provides insurance against that possibility. If we have a 50 year grace period, why not use it to develop the technology slowly and carefully, working out the problems and improving the efficiency before many commercial plants are needed? The U.S. program has built up a great deal of momentum, involving thousands of scientists and engineers with up to 30 years of specialized experience. The Clinch River Breeder Reactor (CRBR), the next step in our development program, has already purchased \$750 million worth of components, and spent a similar amount on design and engineering. Completing it will cost the U.S. Government only about \$1 billion more than cancelling it now. When completed, it will produce \$5-10 billion worth of electricity, but more importantly, it will contribute mightily to research and development of breeder technology. There is even some chance that this R&D will reduce the cost of breeders to below that of present reactors, in which case they should be commercialized immediately.

CRBR has been called obsolete and a technological "turkey" because France, Britain, and USSR already have experimental breeders the size of CRBR. Why not "leap frog" to a commercial size, three times larger? All of these reactors are for R&D, which is much cheaper on a CRBR size reactor. CRBR uses the "loop" design which is a radical departure from the "pool" design of the others. It will be the first to use a heterogeneous core, and it incorporates a long list of other novel features to be tested. Japan and Germany are also now starting to build reactors in this size range.

Since breeder reactors use plutonium, they are sometimes viewed as presenting a risk of proliferating nuclear weapons. But that is an international problem and, with many nations now committed to breeder development, our participation would do little to aggravate it. In fact only by participating can we gain an influential voice in developing the political arrangements that provide our best mechanism for avoiding nuclear weapons proliferation.

Myths have been widely circulated about dangers from the toxicity of plutonium, but their origin is politics rather than science. All estimates in the scientific literature [e.g. *Health Physics* 32,359 (1977)] agree that the toxic effects of the plutonium released from a full breeder reactor industry would be a million times less harmful to our health than the present air pollution from coal burning.

Breeder reactors are the only known technology that can produce all the energy man will ever need at somewhere close to present prices. They essentially eliminate mining for fuels, one of our most hazardous and unhealthy occupations. They are clean and safe, and as with present reactors, provide a solution to our air pollution and acid rain problems. They also stop the worrisome carbon dioxide build-up in the atmosphere from burning coal, oil, and gas. Not burning up the latter leaves them available for making plastics, organic chemicals, and medicines, much more appropriate uses. Breeders burn up the wastes of present reactors, converting them into energy, thereby contributing a great deal to the solution

of that waste problem. With reasonably priced energy it is straight-forward to develop substitutes for any materials that may become scarce in the future, so they solve those problems too.

In a nut shell, breeder reactors are the key to a bright and abundant future for mankind. People living thousands, millions, or even billions of years from now may well remember and honor our generation for this wonderful contribution. ●

PROTECTIONISM: A CALL TO CHAOS

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. DANNEMEYER. Mr. Speaker, the issue of protectionism is one which will again confront the Congress should H.R. 1234, the domestic content legislation, be scheduled for floor consideration after the jurisdiction of the Committee on Ways and Means expires no later than September 26, 1983. Unfortunately, domestic content is but the tip of a possible protectionist iceberg that is floating aimlessly in the ocean of the economy. If we succumb to the demands of one industry, in this case the auto sector, we will be hard pressed to resist the claims of others.

In the August 1983 issue of Reader's Digest, nationally syndicated columnists Rowland Evans and Robert Novak look at the rise in protectionist sentiment and what it means for our economy and national security. In their article, "Protectionism: A Call to Chaos", the authors state:

But the most serious menace posed by the return of protectionism is not so much a rising cost of living as it is the increased potential for an outbreak of commercial war between nations. By blocking the arteries of trade, protectionism actually deepens the economic slump it is supposed to end. With bellicose nationalism stimulated dangerously, countries retaliate one against the other in an escalating cycle of trade restrictions. That leads to a breakdown in international order (as it did in the 1930's), which can mean a shooting war.

Mr. Speaker, given the gravity and importance of this issue, I would like to insert the full text of the Evans and Novak article at this point in the RECORD. They outline the case against protectionism in a succinct and effective manner.

PROTECTION: A CALL TO CHAOS

(By Rowland Evans and Robert Novak)

From all sides—labor, industry, Congress—come angry cries for restrictions on imports.

These cries must be resisted, for history clearly shows that protection inevitably produces higher prices—and economic disaster for all.

In Peoria, Ill., the president of United Auto Workers Local 974 complains that 7000 of his members have been laid off at the Caterpillar Tractor plants there. The only "solution," he says, is stringent federal

legislation limiting imports. "We can't compete with slave labor."

In Texas, where beef and citrus farmers are irked over Japanese trade barriers against their products, former Republican Gov. William P. Clements threatened "special" licensing requirements for Japanese cars.

Across the United States, an angry protectionist mood has grown to encompass organized labor, Democratic Party leaders, captains of industry, "populists" of the New Right and, increasingly, ordinary Americans. "Looking at it for seven or eight years," says pollster Patrick Caddell, "you can see a steady movement away from free trade."

Spawmed by the global economic slump, the outbreak of protectionism is symbolized by UAW efforts to require a high percentage of any new automobile sold in America to be made here (a "domestic content" bill actually passed the House in 1982). But the demand for protection is not limited to autos:

The U.S. steel industry has called on the government to force a one-third cutback in Japanese steel imports.

The Senate passed a resolution calling for a tax penalty on companies purchasing certain kinds of machine tools from Japan. (President Reagan rejected the demand.)

A 1982 quota on sugar imports added \$600 million a year to the estimated \$2 billion American consumers were already spending to protect domestic sugar growers.

Indeed, it is the consumer who pays for it when government interferes to protect domestic industries and their workers from foreign competition. Consider the 1977 agreement in which South Korea and Taiwan bowed to Washington's pressure and limited their shoe exports to the United States. Over the next four years \$23 million in additional wages was paid to U.S. shoe workers—while Americans in general paid more than \$1 billion in higher shoe prices.

A U.S. tariff on clothing imports cost consumers more than \$5 billion and resulted in only \$213 million in wages to textile workers. A tariff on citizens-band radios saved \$60,000 in U.S. wages from 1979 through 1981—at a cost to the buying public of \$114 million.

But the most serious menace posed by the return of protectionism is not so much a rising cost of living as it is the increased potential for an outbreak of commercial war between nations. By blocking the arteries of trade, protectionism actually deepens the economic slump it is supposed to end. With bellicose nationalism stimulated dangerously, countries retaliate one against the other in an escalating cycle of trade restrictions. That leads to a breakdown in international order (as it did in the 1930s), which can mean a shooting war.

In seeking to turn back the protectionist tide, President Reagan often recalls the 1930 passage by Congress of the Smoot-Hawley Tariff Act, a major contributing factor of the Great Depression. "The world must never live through such a nightmare again," says Reagan. "We're in the same boat with our trading partners. If one partner shoots a hole in the boat, does it make sense for the other one to shoot another hole in the boat? Some say yes, and call that getting tough. Well, I call it stupid."

ADJUSTMENT PAINS

Signs of economic recovery last winter stirred hopes that the protectionist dragon would be caged before it rampaged. But eco-

nom recovery alone will not tame the beast.

U.S. trade deficits have been climbing since the end of fixed exchange rates between international currencies a decade ago. Since then we've vacillated between two courses: a "strong" dollar in relation to other currencies—as presently exists—that makes foreign imports relatively cheap and our own exports relatively expensive; or a "weak" dollar that has the opposite effect. Devaluing the currently strong dollar is one way to overcome our trade woes. But it would invite certain retaliation and only further roil the international economy.

Adding impetus to the protectionist surge is the now irreversible U.S. shift from "smokestack" to "high-tech" industry. Reducing the weight of an auto from 3700 pounds to 2700 pounds means using less steel. Miniaturization of the computer reduces the need for materials and energy. "These are fundamental changes," says U.S. Trade Representative William Brock, "and no amount of protectionism is going to change that. Those industries are going to have to adjust to survive."

Part of the adjustment requires trimming bloated wage rates, wages that help make our products—particularly cars and steel—uncompetitive in the world market. That is precisely why the U.S. trade-union movement, traditionally pro-free trade, has become the vanguard of protectionism.

UNFAIR COMPETITION?

Underlying this mood is the passion inspired by the imports of one country: Japan. In playing the "Japanese card," U.S. politicians talk about an ally in language usually reserved for enemies. Rep. John D. Dingell (D., Mich.) refers to "the little yellow people." Rep. Donald J. Pease (D., Ohio) asserts that "while Japanese cars invade our highways, American workers pay for the defense of Japan." Former Vice President Walter F. Mondale warns that our kids may end up "sweeping up around Japanese computers and serving fast-food hamburgers" the rest of their lives.

Behind the overheated rhetoric is last year's \$16.8-billion trade deficit with Japan—larger than our \$15-billion deficit with all the rest of the world. Tokyo's trade policies infuriate would-be American exporters. For instance, aluminum baseball bats exported to Japan were subjected to extensive dock-side "safety examinations." Similar testing for "standards" is said by U.S. producers to block exports of pharmaceuticals and medical and dental equipment. In May the Japanese Diet did enact legislation desired by the United States that eases some of these restrictions. Tariffs and quotas also restrict trade in products where the United States has a definite competitive advantage: beef, cigarettes, citrus products, lumber and leather.

But the aspect of Japanese trade policy that most angers free traders is its protection of new industries from foreign competition until they are ready for the export market—a technique now being applied to advanced computers, telecommunications, aircraft and biotechnology. Indeed, Japan's insistence on "domestic content"—that is, a large share built by Japanese workers—in military aircraft purchased from American manufacturers is cited by the UAW as justification for its own domestic-content legislation for autos.

RAISING THE PRICE

The Japanese share of the U.S. auto market rose from 11 percent to 21 percent

between 1978 and 1982, while the American share was dropping from 85 percent to 75. Whatever the UAW says, so dramatic a change in U.S. consumer preference cannot be written off as a result of unfair competition from "slave labor."

Far from it. Consumer surveys show that we buy Japanese cars for two main reasons: reliability and economy of operation. Sixty-six percent of owners of Japanese cars in America report trouble-free operation, compared with 42 percent for U.S.-produced cars. Sixty-two percent of U.S. drivers rate their Japanese cars as "excellent" or "very good" in fuel economy, compared with 14 percent for U.S. models.

To reverse this massive preference for the foreign product, the Reagan Administration in its early months bowed to intense lobbying from the U.S. auto industry and negotiated a "voluntary" two-year limitation on Japanese imports. Asserting that he was "uncomfortable" with this voluntary program, Brock nevertheless went to Tokyo last February to discuss a two-year extension. Any long-term extension, he suggests, "will become counterproductive" by hiding defects in the American automobile industry. Unsatisfied, the UAW launched its aggressive domestic content campaign to cut vehicle imports by 1.15 million a year.

What would a UAW victory mean? According to government studies, such legislation would add \$333 to the price of each new car. Or put another way: the estimated 100,000 new jobs created here by the cut in Japanese imports could cost American consumers some \$4.8 billion annually. In effect, all American workers, deprived of lower-priced foreign competition, would be subsidizing the fat paychecks negotiated over the years by the UAW. (Auto workers earn an average of \$25,000 a year, plus substantial fringes; the average U.S. industrial worker gets \$16,500.) Nor do those 100,000 new jobs come without job loss elsewhere. Opponents assert that domestic content legislation would close 2,000 foreign-car dealerships, ending 65,000 jobs and endangering another 11,000 jobs in U.S. ports.

Perhaps the most eloquent argument against the domestic-content bill was expressed by Joseph E. Coberly, Jr., a California Chevrolet dealer. "If the Japanese can produce good cars for less cost than we can, they should," he told Congress. "It does no one any good to force consumers to pay more for cars than necessary and to keep Americans in inefficient jobs. If consumers could buy cheaper cars, the money saved would be spent on other products or perhaps on whole new industries that produce things we can make more cheaply than the Japanese do."

FUTURE TRACK

What are the practical alternatives to protectionism? The clearest need is for an economic policy geared to growth—which means holding the line against new tax increases. Equally obvious is the need for continued negotiations with Japan on mutually freer trade, a prospect improved by the accession of Prime Minister Yasuhiro Nakasone last November.

In addition, these five difficult steps should be taken to avert world economic chaos:

Foremost, international monetary reform that would re-establish fixed relationships between national currencies.

Reduced unit costs in American heavy industry—especially in autos—through revised wage scales and work rules.

Renewed efforts to improve productivity to achieve a more competitive international position.

Revision of antitrust statutes to permit U.S. companies—especially auto companies—to engage in joint ventures. Such ventures could cut engineering and manufacturing costs and improve our competitive footing in world markets.

Job retraining, with private employers training displaced workers for jobs that do or will exist rather than government training for nonexistent positions.

Such a program lacks the political appeal of protectionism, but it manages to skirt the latter's dangerous consequences. "The motive of all these [protectionist] regulations," Adam Smith wrote in *The Wealth of Nations*, "is to extend our own manufactures, not by their own improvements but by the depression of those of all our neighbors." The United States must strive to solve its own industrial problems without shooting additional holes in the worldwide economy—and drowning us all. ●

THE MYTH OF MITI

HON. NORMAN D. SHUMWAY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. SHUMWAY. Mr. Speaker, a common thread running through much of the current debate about industrial policy is the belief that Japan's dramatic economic success can be traced to the widespread and explicit involvement of the Japanese Government in the country's economy. It is often argued that in its ability, largely through MITI, to centrally plan and coordinate business activity, to subsidize and protect industrial sectors and individual companies deemed important to economic growth, and to identify favorable new areas where global market share can be achieved lies the key to Japan's dynamic growth, competitiveness, and hopes for continued prosperity.

Advocates of this view are generally among those calling most forcefully for the adoption of an explicit industrial policy in the United States. While relatively few recommend that the Federal Government should be in the business of picking specific winners and losers, industrial policy proponents generally believe that the problems of the perceived decline in U.S. industrial competitiveness, of our "smokestack" sector, and of the various dislocations caused by a changing economy can best be solved by greater government intervention in our economy—a la Japan. Typical suggestions include the creation of some sort of government-business-labor coordinating council to study and recommend solutions for economic and industrial problems, and a national development bank to channel credit to targeted companies and sectors.

Aside from the obvious fact that the Federal Government is probably the

least likely entity one would choose to make microeconomic decisions, the grandiose vision of industrial policy advocates suffers from a basic flaw: The fact that the common view of the Japanese experience is the result of fundamental misinterpretation.

In an incisive article which recently appeared in *Fortune*, David Henderson shows clearly that "the idea that central planning is responsible for Japan's success is a myth." Henderson goes on to point out that "the real explanation for the Japanese economic miracle is the country's laissez-faire policies on taxes, antitrust, banking, and labor. Japan teaches a lesson, not about the value of economic planning, but about the vitality of the free market."

It is this lesson which is not yet fully understood by many who speak favorably of industrial policy, whether in the context of Japan or the United States. The industrial policy debate will have served a valuable purpose, however, if it leads to a recognition of the fact that when government attempts to intervene in the economy, it often makes things worse—and that, if the Japanese "miracle" is to occur in the United States, the proper role for government is to create an economic climate in which business can flourish.

The full text of Mr. Henderson's article follows:

[From *Fortune Magazine*, Aug. 8, 1983]

THE MYTH OF MITI

(By David R. Henderson)

Early in the 1950s, a small consumer-electronics company in Japan asked the Japanese government for permission to buy transistor-manufacturing rights from Western Electric. Permission was necessary because at the time foreign exchange was controlled by the tax and trade ministries. The Ministry of International Trade and Industry refused, arguing that the technology wasn't impressive enough to justify the expenditure. Two years later the company persuaded MITI to reverse its decision and went on to fame and fortune with the transistor radio. Its name: Sony.

In the mid-1950s MITI exhorted a Japanese industry to develop a prototype "people's" model of its product so MITI could designate the winning firm as the single producer. In the 1960s MITI tried to force this industry's many firms to merge into just a few. Both times the companies rebuffed MITI, and today they're doing very well, thank you. Their product: autos.

In his favorable review of Chalmers Johnson's *MITI and the Japanese Miracle*, Robert Lubar, a member of *Fortune's* board of editors, accepted Johnson's view that Japan's postwar success is largely due to MITI's central planning (Books and Ideas, September 6, 1982). Many American business executives and politicians go further, urging the U.S. government to follow the example of "Japan Inc." and subsidize industries it thinks will succeed. They are wrong. The idea that central planning is responsible for Japan's success is a myth. MITI has made no contribution to many of Japan's biggest industrial successes. What's more, it isn't that powerful. The real explanation for the Japanese economic miracle is

the country's laissez-faire policies on taxes, antitrust, banking, and labor. Japan teaches a lesson not about the value of economic planning, but about the vitality of the free market.

American businessmen may believe that Japan's government was responsible for the Japanese steel industry's growth. In fact, according to the U.S. Federal Trade Commission, the subsidy to Japanese steelmakers averaged a paltry 46 cents per metric ton from 1951 to 1975.

The U.S. semiconductor industry credits central planning for Japan's recent strides in producing 64K RAM computer memory chips. But an industry trade association recently reported that Japan's fastest-growing 64K producer, Oki Electric, was not part of MITI's R&D project. Moreover, Oki was the first Japanese manufacturer to test the state-of-the-art 256K chip.

Central planning, according to Philip Trezise, a Japan expert at the Brookings Institution, simply isn't as important in Japan as Western observers think. MITI sets growth targets, advises firms how to reach them, and lobbies for its policy views within the government; its direct power to allocate resources is small. The Japanese central government does invest heavily in local government, railways, highways, and housing. But during the 1970s net lending by the Japan Development Bank—the government's main channel of industrial-development investment—was only 1% of private nonhousing capital formation.

If not central planning, what does account for Japan's phenomenal performance? Part of the explanation unquestionably is Japanese culture, which encourages, among other things, hard work and thrift. But government policies are also important—and contrary to the conventional wisdom, Japan's successful economic policies are not the ones that try to direct resources but those that encourage individual initiative.

Probably the most important source of Japanese growth is low taxes. From 1951 to 1970, Japan's real gross national product grew at an average of 9% per year. At the same time, total national and local taxes (excluding social security) fell from 22.4% of national income to 18.9%. Compare that with the U.S., where the proportion rose from 28.5% to 31.3%. As high growth and inflation swelled tax receipts throughout the Fifties and Sixties, the Japanese government reduced rates and increased deductions. Individual income tax exemptions increased in all but three years between 1954 and 1974. During that same period, individual tax rates fell 11 times and rose once, while corporate tax rates fell six times and increased twice.

Low taxes haven't been the only reason for Japan's growth. But it is no coincidence that Japan's two decades of greatest post-war growth were also its decades of lowest taxes—and that during the 1970s, as Japan's taxes rose to 22.8% of national income in 1980, real GNP growth declined to only 4.8%. Higher taxes weren't the only reason for this deteriorating performance, of course; oil price increases also contributed.

Another important factor in Japan's success is its high savings rate. In 1980 savings in Japan were 19.4% of personal income, more than three times the American proportion. This high savings rate leads to a high rate of capital formation, spurring economic growth. According to a 1976 Brookings study by economists Edward Denison and William Chung, almost a quarter of Japan's growth between 1953 and 1971 was due to increases in the amount of capital.

What causes the high savings rate? Here again, culture is partly responsible. But so is the design of the tax system. Since the early 1950s, savers in Japan have been allowed to exempt large amounts of interest income from taxation. In 1981, for example, a taxpayer who saved part of his wages through an employer-run savings plan paid no taxes on interest on the first \$22,600. Also, interest on the first \$13,600 in a postal savings account—in Japan the post office offers a limited range of financial services—is tax-free. Those without qualms about lawbreaking could theoretically hold one such account at each post office—there are more than 20,000—because postal savings officials tolerate multiple accounts. In fact, according to a study by the Hudson Institute, a think tank founded by the late Herman Kahn, there are twice as many postal savings accounts in Japan as there are people.

Other features of the Japanese tax system encourage growth. The maximum tax rate on dividends is 35 percent, vs. 50 percent in the U.S. Capital gains from the sale of securities are untaxed. Low inheritance and gift taxes allow wealthy Japanese to transfer most of their wealth to their heirs. In 1970, for example, the inheritance tax rate on estates valued at over 100 million yen (about \$280,000 at the time) was only 38.8 percent. The real tax burden was actually lower because the Japanese tax code greatly undervalues land and closely held businesses. The tax system also encourages investment, with its favorable treatment of Japanese firm's lump-sum retirement payments to employees. In 1981 a worker retiring after 30 years paid no tax on the first \$45,000 of his payment. As a result, employees accept lower wages in return for tax-free retirement payments, and companies can invest the funds that would otherwise have been spent on taxable wages. Again, these pro-growth policies have nothing to do with central planning.

Another source of economic growth in Japan is the absence of antitrust restrictions on joint R&D, which allows Japanese companies to avoid duplicating each other's research. American proponents of "industrial policy," who want the U.S. government to choose industrial winners, often laud this policy. However, many seem unaware that the absence of such barriers means hands-off government, the opposite of the central planning they advocate. One who is not unaware is Lester Thurow, a liberal economist at MIT who credits Japan's permissiveness on joint R&D for some of that country's growth.

As for the danger that firms engaging in joint R&D could restrict growth by monopolizing their market, Thurow says this is unlikely "in any industry where imports are possible." For Thurow, "the most effective antitrust law is free trade." And contrary to popular belief, Japan's legal trade barriers on manufactured goods are relatively low. In 1979 Japan's average tariff on industrial production was only 3%, compared with 6% for both the U.S. and the European Community. And according to economist William Cline of the Institute for International Economics, a Washington think tank, Japan's overt nontariff barriers—such as import quotas—are as low as, or even lower than, those of the U.S. Cline, an expert on international trade says that while Japan has hidden nontariff trade barriers (such as unofficial jawboning to hold down imports), he is unaware of any evidence that these are higher than the hidden barriers of the U.S.

Another factor in Japan's growth is the absence of any law that, like our Glass-Stea-

gall Act, prohibits banks from owning stock. Banks own much of the stock in Japanese companies, and many bank officers sit on company boards. This, according to William Ouchi, author of "Theory Z: How American Business Can Meet the Japanese Challenge," is a better discipline on managers than a takeover threat. Professor Ouchi claims that Japanese bankers providing capital to companies are often intimately familiar with the companies and thus have the knowledge and power to replace managers who fail to seek the long-run profitability that is in the banks' interest. Moreover, banks in Japan, able to take equity positions in companies, are a source of venture capital.

A further advantage of allowing banks to own stock is that a bank confident of a company's future can back it when creditors get scared. Later, if the company performs well, the bank profits from its equity position. That happened in the case of Toyo Kogyo, the Japanese company that makes Mazda autos. When the 1974 oil price increase made its fuel-inefficient Wankel engine uncompetitive, Toyo Kogyo almost went under. Sumitomo Bank, a large stockholder, assured Toyo Kogyo's creditors and suppliers that it stood behind the firm. Toyo Kogyo, thriving today, might not exist if Japanese law had prevented banks from owning stock in other companies.

Low unemployment rates also contributed to Japan's success. Japan has both lower and less volatile unemployment rates than those in the U.S., not because of government fine-tuning, but because of wage flexibility. Much of workers' pay is in bonuses, which are cut during downturns. As a result, Ouchi claims, an employee's hourly pay in Japan falls by up to 40% in a recession. Japanese wages, according to Robert Gordon, an economist at Northwestern University, vary three times as much over a business cycle as do U.S. wages. Japanese job categories are also flexible, making it easier for managers to respond to changes in relative demand by transferring workers from one production line to another in a downturn.

Why do Japanese unions allow a degree of flexibility that would be anathema to American unions? The reason: they are organized companywide rather than industrywide. Because national unions in Japan rarely control locals' policies, a single industry contains several different "enterprise unions," as they are called, and these unions compete with one another. Workers will moderate wage demands rather than jeopardize their firm's market share. Also, having only one union in each firm makes job reassignments easier.

Talk of industrial policy, a euphemism for central planning, is all around us. Prominent businessmen like David Mahoney of Norton Simon, intellectuals like Robert Reich, and politicians like Walter Mondale embrace it. Their Exhibit A is Japan. But they are missing the point. Japan's economy succeeds because its government allows freedom for individual initiative. That is the true lesson of the Japanese miracle. ●

LEWIS LAUDS OPTIMISM OF FLORIDA 12TH DISTRICT RESIDENTS

HON. TOM LEWIS

OF FLORIDA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 14, 1983

● Mr. LEWIS of Florida. Mr. Speaker, the optimistic and wide-ranging responses of 30,542 residents in the 12th District of Florida to my 1983 congressional questionnaire were very enlightening.

I was overwhelmed by the optimistic and thoughtful expressions of so many people in the 12th District. It was encouraging to read response after response reflecting a firm belief that economic recovery is in sight and that positive approaches, such as prudent government spending policies, should be undertaken to keep the economy on track.

I was especially pleased to have 30,542 responses to my first congressional survey.

Half of the respondents said they were economically "about the same" as they were a year ago, but 43 percent said they expect to be "better off" 2 years from now.

The respondents were split evenly as to what they felt would improve the Nation's economic recovery. Twenty-three percent called for a balanced budget; another 23 percent said less unemployment would make them feel more confident about economic recovery; 20 percent said they would rather see lower interest rates and 18 percent preferred a reduction in inflation.

Unemployment is the critical issue to the people of the 12th District and that was reflected in the survey responses. Forty-four percent of the respondents said unemployment will be the Nation's biggest economic problem next year, and I concur.

However, I was buoyed by the fact that 49 percent of the respondents called for continued support of President Reagan's economic program and another 24 percent called for only slight adjustments in the President's program.

It is that kind of confidence and optimism that has put the Nation's economy on the right track.

The survey results are as follows:
12TH DISTRICT RESIDENTS RESPOND TO THE ISSUES—30,542 RESPONDENTS

ECONOMY

Compared to a year ago, are you:	Percent
a. Better off	28
b. Worse off	22
c. About the same	50

Which single development during the next year would make you most confident about the nation's economic recovery:

a. Lower interest rates	20
b. Less inflation	18
c. Lower taxes	9

EXTENSIONS OF REMARKS

d. Less unemployment	23
e. Balanced budget	23
f. Other (specify)	(1)

¹ Less government spending.
Which of the following should Congress do:

a. Continue to support President Reagan's economic program	49
b. Make slight adjustments in the President's economic program	24
c. Make significant adjustments in President's program	16
d. Abandon the President's program because it has not worked	11

Two years from now, do you expect to be:

a. Better off	43
b. Worse off	18
c. About the same	39

Which of the following do you think will be our nation's biggest economic problems a year from now:

a. High interest rates	19
b. Unemployment	44
c. Inflation	26
d. Other (specify)	7 ¹

¹ Government spending.

IMMIGRATION

An immigration bill is currently before the House and Senate. The provisions listed below are part of that bill. Which do you favor:

	Percent
a. Penalties against the employers who knowingly hire persons who immigrate to this country illegally	26
b. A temporary work permit for alien workers	12
c. Increase border patrols and enforcement personnel	17
d. Expedite legal penalties against alien migrant workers who violate terms of their resident status	18
e. Place a cap on lawful admissions of potential immigrants	23
f. Grant amnesty to illegal aliens who were in the U.S. prior to 1975	4

FEDERAL DEFICIT

The federal deficit this year is expected to be in the range of \$200 billion. To curb this trend, would you:

a. Decrease defense spending	27
b. Decrease social programs	35
c. Increase taxes	8
d. Support an economic stimulus program	30

FEDERAL PRIORITIES

Do you think the Federal government's budget should spend More, Less or about the Same in the following areas:

	[In percent]		
	More	Less	Same
a. Aid to the elderly	34	11	55
b. Jobs programs	34	36	30
c. Home mortgage and other housing programs	24	35	41
d. Health care	39	18	43
e. Education	50	19	31
f. Crime control	74	4	22
g. Defense	35	31	34
h. Foreign aid	3	85	12
i. Agriculture and rural development programs	19	36	45

	More	Less	Same
j. Veterans benefits	24	15	61
k. Clean air and water	41	16	43
l. Highway construction and improvement	40	11	49

LET'S GET ON WITH SYNFUELS

HON. JOHN MURTHA

OF PENNSYLVANIA
IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 14, 1983

● Mr. MURTHA. Mr. Speaker, I wish to insert into the RECORD an editorial from the Washington Post well outlining the need to continue strong support for the Synthetic Fuels Corporation.

America needs to use this interim of energy peace to build our own resources and supplies to survive the next energy shortage that will surely come.

I think this editorial well states the reasons Congress needs to continue its strong support for synthetic fuels.

SLOW START ON SYNTHETIC FUEL

The Synthetic Fuels Corporation, established by Congress more than three years ago, is only now beginning to show signs of life. It is beginning to provide, in a small way, the kind of project support for which it was set up. But last month it suffered another setback when its president, Victor A. Schroeder, resigned under pressure. He had interceded with a private company on behalf of one of the SFC's directors, a gesture that the corporation's inspector general characterized as "especially bad judgment." While that episode deservedly attracted attention, it ended with Mr. Schroeder's departure. Meanwhile, the corporation continues to struggle with deeper—and more interesting—confusions of policy.

First of all, Congress gave the corporation contradictory orders. It was to underwrite the development of advanced new energy technologies. But it was also to hit unrealistically high production levels. Putting the technologies to work is important; the production targets are not.

When the Reagan administration arrived, it imposed on the new agency its own ambivalence about government support for industrial development. The president appointed Edward E. Noble chairman of the SFC; he originally favored abolishing the corporation, and has only gradually come to support its purposes. Meanwhile, much time has been lost.

Currently the world's oil supply flows smoothly, and the sense of urgency about energy has evaporated in this land of short memories. Prices are down a little, hinting that the SFC's price and loan guarantees could actually cost the government serious money. That further diminishes any enthusiasm for it on the part of the administration. And yet the logic behind the corporation is as strong as ever. Surely the time to develop alternate sources of energy is while the oil still arrives on schedule. When the deliveries stop, there's no time for research and development.

The SFC has every reason to proceed promptly, as it says it intends to do, with support for new methods of producing fuel on an industrial scale. The most important

are the technologies for producing clean gas and oil from coal. Burning coal produces dangerous air pollution; the evidence of those dangers is rapidly accumulating. To develop processes to transform it into other fuels and eliminate the pollutants will do more than improve national security in the event of further disruptions in the supply of imported oil. It will give the country better and safer access to the most abundant of all its sources of energy. But that won't happen unless the federal government pushes. The SFC was created to do that job, and it continues to be essential. ●

ITALY DISCUSSIONS
INFORMATIVE AND USEFUL

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. FLORIO. Mr. Speaker, the relationship of the United States and Italy is of great importance to the many Americans of Italian heritage. After visiting Rome on official business this past July, I returned convinced of the value of maintaining good relations with that great nation.

As a representative of the House Energy and Commerce Committee, I visited Rome from July 5 through 8, 1983, for a series of meetings and discussions with Italian Government officials, representatives of the Italian business community, and officials of the U.S. Embassy in Rome.

The purpose of my trip was related to several matters under the jurisdiction of the Subcommittee on Commerce, Transportation and Tourism, of which I am chairman, and of the full Energy and Commerce Committee. Discussions included ways of promoting trade between our two nations, particularly in coal, problems encountered by American trade-in-services with Italy, and the Italian effort in promoting tourism.

Italy is America's 12th largest trading partner, with \$9.8 billion in two-way trade in 1982. U.S. exports to Italy totaled \$4.5 billion in 1982, down from \$5.3 billion in 1981. This decline was due in large part to the increased strength of the U.S. dollar relative to the lira. The two nations share a common commitment to free and fair trade, but problems nonetheless exist in bilateral trade relations.

Many United States-Italy trade frictions stem from policies promulgated by the European Economic Community (EEC), of which Italy is a member. Conflicts stem from the EEC's common agricultural policy (CAP), which mandates export subsidies to dispose of surplus agricultural commodities. Italy supports the subsidies and wants expanded protection for such Italian products as fresh fruits and vegetables and olive oils. The United States is also concerned about the high tariff on almonds.

Italy has joined other EEC members in objecting to the extraterritorial reach of U.S. regulatory agencies and antitrust proceedings. In addition, Italy, with other EEC members, complains about "Buy America" provisions in U.S. law, such as in the Surface Transportation Assistance Act. Italy contends such provisions impair its ability to export competitive products to the United States.

Sheer volume makes coal a major United States-Italy bilateral trade issue; 1982 U.S. exports to Italy totaled 11.3 million net tons valued at \$637 million. Italy's 10-year plan to reduce domestic dependence on imported oil—with its call for a 175-percent increase in coal use—enhances prospects for a continued thriving coal trade.

Some concern in coal trade relations stems from a June 9, 1983, Interstate Commerce Commission (ICC) decision exempting railroads used for coal export from all ICC regulations; this deregulation does not apply to domestic coal deliveries.

Coal is a low-value bulk commodity, so transportation costs account for a large portion of the delivered price. Consequently, Italy has expressed concern about possible price rises resulting directly from the deregulation.

Deregulation proponents, including the ICC majority, believe the railroads have not interest in curtailing coal exports and that market competition and natural forces of supply and demand, without interference from this regulatory agency, will establish reasonable and rational rates for this traffic.

ICC Chairman Reese H. Taylor, Jr., who dissented from the majority decision, believes the exemption, by shifting profits from producer to carrier, will precipitate a decline in coal exports and thus run contrary to congressional and administration desires to increase such exports.

Italy views deregulation as discrimination aimed at extracting higher prices from overseas customers, according to Commerce and State Department officials, and has thus threatened to reduce purchases of U.S. coal. Italy, however, prefers to trade with the United States for strategic reasons—the United States is more reliable than other suppliers such as Poland and South Africa—as well as for economic reasons—major state-owned Italian firms have investments in U.S. coal mines.

In the travel and tourism sector, American businesses have complained about several Italian trade barriers. Italian Government currency allowances for citizens traveling abroad, now the lira equivalent of \$1,500 annually, may deter travel to distant destinations such as the United States.

Several air carrier restrictions hinder bilateral tourism trade. Italy

prohibits U.S. carriers from using their own passenger handling operations in Rome, forcing them to use the airport's monopolistic service. No U.S. charter flights may depart Rome's Fiumicino Airport after 8 a.m., and runways at the alternate airport are too short for transatlantic jets with full fuel tanks. Italy, furthermore, objects to the 12-percent U.S. market share between Rome and non-U.S. points (Athens, Cairo, Istanbul) and threatens to freeze U.S. capacity in these markets; the United States contends such action would violate the bilateral air transportation accord.

Italian trade barriers in insurance include Government refusal to issue new licenses and extensions to new lines in business by existing companies. In addition, the Government requires that foreign and national life insurance companies coinsure part of their business with the State-run insurance company; the portion of business that must be coinsured varies inversely with company age, thus entrenching the position of existing companies and making penetration by foreign companies impossible. Foreign exchange regulations and taxation, moreover, impede U.S. competition.

With respect to defense procurement, Italy believes bilateral trade relations are unbalanced. Such concerns are currently being discussed in a United States-Italian Aerospace Working Group.

I was impressed by the commitment of the Italian Government to good relations with the United States despite our occasional economic differences. I commend the staff of the U.S. Embassy and the many departmental attachés and counselors for continuing to present a positive position of our Nation in their many dealings with the Government and business community.

I also commend the leadership of our Ambassador to Italy, Maxwell Rabb, at whose invitation this mission was undertaken. Ambassador Rabb is a distinguished representative of our Nation and I look forward to working with him in the future.

Shortly after I left Italy in July, a new Government was formed and I am hopeful that discussions of these various issues will continue with a full appreciation for the importance of maintaining the strong bond of friendship between Italy and the United States. ●

**YOUTH, MINORITIES AND THE
COMMUNITY RENEWAL EM-
PLOYMENT ACT (H.R. 1036)**

HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. HAWKINS. Mr. Speaker, various respected economists have confidently announced that our most recent economic recession "officially" ended last fall. Without a doubt, they maintain, the business cycle bottomed out around November. The recession has been handily defeated and economic recovery reigns supreme.

Although much of the available statistical data does suggest a recent upsurge in the economy, we should be careful not to exaggerate its effects. While some Americans are clearly benefiting from the upswing in economic activity, many others, youth and minorities in particular, will undoubtedly spend several more years combating the lingering effects of an economy-wide recession.

Total civilian unemployment did drop during the period from December 1982 to August 1983, with the white jobless rate falling from 9.7 percent in December to 8.2 percent in August. The picture for youth and minorities, however, which was much higher than the national average, remained more than twice that of the white jobless rate. In December the figure was 20.8 percent. Last month it climbed further to 21.9 percent.

Statistics on youth unemployment are equally depressing. Historically, the jobless rate for this group is the highest of all others, and well above the national average. From a high of 24.5 percent in December, youth unemployment dropped to 22.2 percent in February. By the month of August, however, the percentage of jobless youth stood at 23.0 percent. For black teenagers, unemployment rose from 49.5 percent in December to 53.0 percent last month. Clearly, if the long awaited economic recovery has arrived, it has not yet embraced members of the teenage or black workforce.

Much of the unemployment suffered by youth and minorities stems from inadequate or obsolete occupational skills. During this period of structural economic transformation, economic recovery alone will not totally eradicate the unemployment rates of these groups. With this in mind, Congress passed JTPA, which is designed to accommodate the training needs of the structurally unemployed worker. While JTPA will have a substantial effect on unemployment in the long run if it is funded adequately, it will have virtually no effect during the current catastrophic economic situation: Not a single job will be created by that act.

In March of this year, Congress passed legislation intended to create jobs for the unemployed. The Emergency Supplemental Appropriations Act, however, merely speeds up previously planned spending and provides additional funding to programs which are not necessarily labor intensive. Consequently, the expected number of jobs created by this act would not substantially reduce unemployment. More importantly, most of the jobs it creates will be public works jobs, providing little assistance to minorities, who comprise only 7.3 percent of all construction workers. In short, existing law does not adequately address our current overwhelming problem of unemployment.

H.R. 1036, the Community Renewal Employment Act, is the most cost effective, timely, and efficient means of stimulating employment during a recessionary period. It provides job opportunities for youth, minorities and others who are particularly in need of employment. The work performed would be meaningful labor on public facilities and educational sites. Most importantly, the program is specifically designed to supplement JTPA. It would provide jobs in area where unsubsidized employment is severely limited due to overall economic conditions.

Eligible participants under H.R. 1036 come from those groups with higher than average rates of unemployment. They are individuals 16 years of age or older who have been unemployed 15 out of 20 weeks, with priority for those who exhausted or who are otherwise ineligible for unemployment insurance. Particular attention would be paid to those who have been unemployed the longest and those in families in which no other member is employed on a full-time basis. As a result, the very groups who would otherwise suffer until the recovery worked its way through the economy, such as youth and minorities, would work in meaningful jobs during this interim period.

Finally, limited training is also available under the bill. For youth, part-time employment must be combined with a minimum of 8 hours of education or training which better prepares them for entry into the job market. Employers who commit themselves to hiring a number of workers equal to those they are training; provide training through qualified nonprofit training entities; and, agree to limit training costs per individual to the maximum allowable wage permitted under the bill to each individual, can provide training in lieu of or in tandem with wages (the total not to exceed the maximum allowable wage under the act). As a consequence, training for occupations such as construction, carpentry, plumbing, painting, and other jobs are available under this bill.

While I also share my colleagues' hope that our economy is recovering from what has been termed "the worst recession since the Great Depression," I must remind you of the variations in the effect of the alleged economic recovery on certain segments of our labor force. While some Americans are beginning to feel the warmth of the recovery as it spreads throughout the economy, many others, youth and minorities in particular, will combat the frigid, lingering cold of the recession for many more years to come. These Americans need our help. H.R. 1036 can most efficiently and effectively render them the assistance they currently so desperately need. ●

**SHARING COMMENTS BY
RETIRED UNION MEMBERS**

HON. SILVIO O. CONTE

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. CONTE. Mr. Speaker, I ask unanimous consent that I be allowed to submit for the RECORD the following statement from some retired union members in my congressional district. Their feelings on medicare and the proposed solutions to medicare's financing problems have been brought to my attention, and I have been asked to submit their comments for the RECORD.

The statement follows:

We, the executive board of the Retirees' Council of locals 254&255-IUE-AFL-CIO are calling on Congress and our Congressional representatives to halt and to restore cuts in Medicare benefits.

Absurd though it may be, it appears that the trend in American society and government is to blame the elderly; i.e., the victims of high health care costs for the nation's health problem, financially speaking. The aim seems to be to reduce Medicare costs by charging higher premiums for Medicare (and Medex) coverage while reducing the benefits.

This is unconscionable. This attitude flies in the face of the fact that hospital costs are rising at the rate of 18.3 percent annually, while doctors' fees are rising at the rate of 20.3 percent. Doctors at present are aspiring to a life-style previously reserved for the playboy children of multi-millionaires. We do not begrudge substantial incomes for the medical profession, but there must be a limit.

The President's intention of cutting Medicare costs by forcing the elderly to pay x number of dollars from day 2 of hospitalization through day 15, and y number of dollars from day 16 through day 90 is asking too much of the elderly and the needy. His plan is typically both callous and cruel to these most worthy of our citizens. Rather than devote his time and energy demanding that Congress save a few pennies (comparatively speaking) by depriving the aged and the needy of their just dues, he should be looking to cutting the excessive spending, waste and spoilage in the Pentagon's program.

Further, let us be reminded that Federal employees and officials, as well as corporate executives and their employees enjoy very good health and hospital insurance. The costs of this are borne by all citizens, the taxpayers and the purchasers of industrial products and services. Certainly, the elderly are among those who pay, and they have paid for decades. That they should now be excluded from such decent treatment is a very sad reflection on our society and government.

We must be aware that the elderly on fixed incomes must purchase such insurance as Medex III or run the risk of total financial ruin in the case of severe illness. The cost of Medex at present is \$828 per year and rising. This, added to Medicare charges of \$316.80 per year, adds up to a cost of \$1,144.80 per year for a couple. Such insurance does not cover the costs of dental care, eye care, or hearing problems. Furthermore, Medicare benefits fall far short of paying the exorbitant fees charged by doctors for surgery, office calls, or hospital visits.

We repeat that a Federal cost containment program would be much more effective than unfairly burdening and penalizing those aged people who are the least able to pay. Action on this matter is both essential and urgent. If our Congress is truly constituted to serve the people of our country, it must act, and act now.●

CHEMICAL WEAPONS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. OTTINGER. Mr. Speaker, I can think of no sound argument to justify ending this country's 14-year moratorium on chemical weapons manufacture. I rise today to urge my colleagues to vote against the Department of Defense authorization conference report, and once again take a stand against the renewed manufacture of these insidious weapons.

There is no military reason to proceed with chemical weapons production that could cost up to \$15 billion over the next decade. Our current stockpile of chemical weapons provides an adequate deterrent; what we should be pursuing is a treaty which would ban the use or production of such a weapon.

Our strongest statement to the Soviet Union is to continue with the ban on chemical weaponry. Revamping our chemical weapon program would merely give the Soviets the impetus to abandon any attempt at a comprehensive agreement and continue to add to their own stockpile. While we maintain our opposition, we can argue from strength.

Furthermore, the production of these weapons threatens an already strained NATO alliance. When President Reagan announced his plan to start building chemical weapons over a year ago, the Governments of Britain, the Netherlands, Norway, Denmark, and West Germany all denounced the

deployment of binary weapons in their countries.

The President's proposal, and the conference report's acquiescence, flies in the face of compelling facts. Last April the General Accounting Office concluded that a renewal of a chemical weapons program at this time is a poor allocation of our military budget. With chemical weapons, our defensive capability is paramount. If we renew production now, we will lose vital funds that should instead be concentrated on a stronger defense against chemical warfare.

The House of Representatives already concurred with these arguments. In the Senate, a single tie-breaking vote was needed to include a program for these grotesque weapons on the authorization bill. It is incredible to me that the conferees could take these two votes as a majority mandate to include this program in our final bill.

Chemical weapons violate all the principles of reasonable military strategy. Their primary victims are civilians: in a chemical war, 40 million innocent civilians could die, while soldiers in protective clothing remain unharmed. We may never be able to test these weapons, as there are statutory prohibitions against open-air testing. Lastly, a renewal of our program would open the technology to other nations, encouraging widespread experimentation and development.

We must not allow the ban on these pernicious weapons to be swept away. I urge my colleagues to vote no on the conference report to the DOD authorization.●

BELL LIBRARY CELEBRATES 70TH ANNIVERSARY

HON. MATTHEW G. MARTINEZ

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. MARTINEZ. Mr. Speaker, I would like to take a few moments today to recognize and commend the Bell Library in Bell, Calif. The Bell Library was established in 1913 and was the 29th branch library in the Los Angeles County system. This year marks the 70th anniversary of the Bell Library and it is with great pride that I have the opportunity to recognize the library's many achievements on the floor of the U.S. House of Representatives.

Throughout the 70 years of service, Bell Library has diligently served and accommodated the community. It has provided residents with information and materials offering a wealth of knowledge, skills, and culture. Oftentimes we tend to take libraries for granted and overlook the many services provided free of charge. The Bell

Library was begun in a small classroom with a handful of books. Today, the library has grown to contain over 21,000 volumes and has its own building. It is with much satisfaction that I have this opportunity to commend the Bell Library and its many dedicated employees for the exemplary service to our community.●

ECONOMIC RECOVERY OF THE CHRYSLER CORP.

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. ST GERMAIN. Mr. Speaker, I have asked for this time to speak so that I might provide my colleagues with an overview of earlier events I believe underscore the continuing saga of the economic recovery of the Chrysler Corp.

As we now know, Chrysler was successful in outbidding some of the Nation's largest securities firms for the rights to purchase 14.4 million newly issued shares of the corporation's stock. The Federal Government thus was able to reap a reward of \$311.1 million for helping in the rescue of the Chrysler Corp. It is to how we got to that point where we had a legitimate claim to any share of Chrysler that I direct my comments at this time. A significant part of the answer lies in recalling those events and happenings preceding the Chrysler-congressional episode of 1979-80.

Beginning in 1971, the House Committee on Banking, Finance and Urban Affairs—a committee of which I am justifiably proud to serve as chairman, became the House committee most responsible for perfecting congressional aid and comfort packages on behalf of a number of our ailing industries and some of our municipalities. I am quite sure that my fellow members are familiar with the three most heavily publicized Federal loan packages—namely those authorized for the Lockheed Corp. (in 1971, for \$250 million); New York City (in 1975, for up to \$2.3 billion through mid-1978 under the Seasonal Financing Act, and then up to \$1.65 billion under the Loan Guarantee Act). All three were end products turned out by the Banking Committee.

This phase of the Banking Committee's experiences in industrial and municipal rescue plans and operations drew to a close in 1979 with the enactment of the Chrysler Corporation Loan Guarantee Act, which provided for a \$3.5-billion aid package to the automobile company in the form of a \$1.5 billion "carrot" in guarantees and a \$2 billion "stick" in financial concessions the company was required to obtain.

In all such instances, the Banking Committee has been both shield and spear carrier for the Congress. We have, in my judgment, managed our assignment with due regard and consideration of our responsibilities to the House, and I, for one, am pleased with these most recent results stemming from the Chrysler effort. They indicate that some degree of Government intervention in the marketplace is not always as risky as some critics would have us maintain. On the contrary, if there is a problem to be recognized now it involves knowing beforehand that such intervention may provide unexpected benefits and that these benefits in turn may raise unanticipated prospects for an even greater degree of good works to be accomplished. After all, Mr. Speaker, consider what could be done with that \$311.1 million: \$311.1 million could fund a much-needed job retraining effort for the still many unemployed autoworkers; \$311.1 million could provide badly needed mortgage payment assistance to those many unemployed homeowners threatened with loss of jobs through no fault of their own; \$311.1 million could provide substantial and necessary assistance for the upgrading of many underemployed workers in these industries; and \$311.1 million could provide key and timely assistance to many of the small and mid-sized businesses affected by the earlier failure of Chrysler. I speak particularly about parts suppliers, dealers and others whose welfare depended then and continues to depend so heavily upon a healthy Chrysler Corp.

Moreover, Mr. Speaker, if we were to turn these ungainly profits toward the treatment of some of these social and economic ills, we could provide a menu of accomplishment that could prove most satisfying to those who are most critical of Government involving intervention in the marketplace.

Mr. Speaker, my reason for seeking time today is not to indulge the membership of the House in the accomplishments of our committee.

My reasons are simply to remind my colleagues of the fact that in the very specific case of the 1979 Chrysler legislation, we sought to deal with several very fundamental sets of circumstances, and I believe these latest sets of events validate our earlier actions.

First, it was clear in 1979 that without Federal financial assistance in the form of loan guarantees, the Chrysler Corp. would have had to face bankruptcy and possibly liquidation. The consequences for the Nation's economy, for the Federal budget, for the balance of payments, and above all, for the several hundreds of thousands of individual human beings were far too terrible to contemplate. The degree of human misery that would predictably follow was beyond measure.

Second, with assistance from the Federal Government of up to \$1.5 billion in loan guarantees, matched by the same amount in contributions from those many other parties with an economic stake in Chrysler's survival—namely the banks, suppliers, and the unions, it was clear that Chrysler would have a good chance of returning to profitability, of returning to producing badly needed fuel-efficient cars, and of preserving competition in what had become, and remains, a high concentrated industry. Moreover, what was being proposed, Mr. Speaker, and what remains today, was provision for bridging assistance over a difficult period.

The Chrysler assistance package was not offered up as a permanent crutch, and that point should be remembered at all times.

Third, Mr. Speaker, while past managerial mistakes had contributed to Chrysler's difficulties, the cause of the company's immediate crisis in 1978-79 was a series of energy-related shocks. All of them were external to the company, and not of the companies making. They were, nevertheless, unique to the auto industry. Throughout our consideration of the rescue plan therefore, we were constantly alert to the fact that Chrysler's situation in no way set a precedent for generalized Federal financial assistance to industry.

Finally, Mr. Speaker, we viewed reorganization of Chrysler under bankruptcy laws as anything but a solution to the problem. Consider the following: An automaker is unique. He produces, generally speaking, expensive consumer products. These are products dependent upon the confidence of the consumer in the producer's future and are dependent upon an extensive network of dealers for service and warranty work. The best judgment we could come up with in 1979 (and it is as valid today as it was then), was that a Chrysler bankruptcy would not have led to the company's survival and recovery under reorganization. Rather bankruptcy would have led to liquidation and to endless court challenges.

Mr. Speaker, when the Congress weighed in on the impact of a Chrysler failure, it had to assess that impact in terms of lost jobs, lost dealerships, lost suppliers, lost markets, and lost confidence in the American system. Ours is the type of economy experiencing continual job loss and job gain on a daily basis. Under normal circumstances, our economy has sufficient flexibility built into it to adapt to change, but it was clear at the outset that a Chrysler failure would create a situation of an entirely different order and magnitude.

I believe this most recent history of congressional endeavor to undertake effective ad hoc intervention in the marketplace deserves much higher

marks than some of its contemporary critics seem inclined to give it.

We may be lacking in an industrial policy that has an assigned role for Government worked out within it, but if we are so lacking, we have, at the same time, accomplished much through the use of the ad hoc approach, and almost always have had to operate under severe pressure of time.

The Chrysler program is the latest in a series of such efforts. Like all of you, I hope sincerely that it is the last such effort this or any other Congress is asked to make on behalf of rescuing a portion of the American industrial base, or in shoring up some critical element of the Nation's economy. It may help to remember where we were 10 or more years ago, and what we accomplished in a decade or more through such programs. In that manner, perhaps we can take with us the lessons and the wisdom of our recent past.

The final chapter of the Chrysler story is yet to be written, but of this we can be certain, when it is finalized, the actions of the Congress in seeking and securing guarantees that produced in excess of \$300 million in public benefits was in no small way a measure of its ultimate success.●

JUDGESHIP LEGISLATION

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. MICA. Mr. Speaker, today I am introducing legislation to combat the dramatic increase in criminal cases awaiting judgments in the Southern Judicial District of Florida.

As you may know, the new Federal task force on crime has launched a major initiative against crime and particularly drug trafficking in south Florida. In response to this new initiative, the Judicial Conference of the United States recommended the creation of three additional permanent district court judgeship positions in south Florida. The conference also agreed that, once created, the positions should be filled as expeditiously as possible.

Over 1,000 criminal cases were awaiting trial before one of the 12 district court judges in the southern district at the end of 1982 and the caseload for 1983 is even higher. Today, Florida handles 10 percent of all the criminal cases in the Nation. Despite these urgent needs, the additional judgeships needed to bring suspects to trial in Florida have not been forthcoming.

The bill I introduce today will meet this need. It provides for the appointment of three additional district court judges in south Florida. As a Member of Congress concerned about the problem of crime, I hope you will join me

in sponsoring this greatly needed legislation.●

NATIONAL HISPANIC HERITAGE
WEEK

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, September 13, 1983

● Mr. COLEMAN of Texas. Mr. Speaker, a cry for freedom was shouted 173 years ago by Father Guadalupe Hidalgo, in the small town of Dolores, Mexico. It marked the beginning of a struggle for Mexican independence that would last 10 years—a struggle that would be waged against the Spaniards, then against the French. One hundred years later in 1910, a new revolution would break out against the tyrannical regime of Porfirio Diaz.

"El Grito," as it is called in Mexico, ignited a burning desire for freedom in the hearts of Mexicans, a desire that would see them through long years of constant struggle. Today we celebrate that inextinguishable flame and pay tribute to a people with a fiercely determined human spirit and a great ability to endure and to fight for the freedom that they loved so much. This same spirit is exemplified today by Mexico's continued success in developing its industrial and technological foundation.

The constituents in my district are acutely aware of that spirit, for the sister city of El Paso is Cd. Juarez, Chihuahua, Mexico. Indeed, the character of the people from my district, which is predominately Hispanic, is infused with that undying respect and love for freedom. It is appropriate that this week, when Mexican independence is celebrated, is also National Hispanic Heritage Week in this country. Mexican Americans in the Southwest and throughout the country share the pride of their cultural heritage by reaffirming the spirit of the independence movement through their political, social, and economic contributions to our country. This struggle manifests itself in the Hispanic struggle for full employment and against discrimination. I am confident that we will see the nature of this strength in the 1984 elections.

The pride and nationalism displayed during this week transcends the international boundary and honors the spirit of freedom and independence valued by both Mexico and the United States. Today, I invite you to join me in honoring our Mexican neighbors as they commemorate their independence by joining in that famous cry that still rings in the hearts of Mexicans as well as Americans, "Viva la Independencia."●

EXTENSIONS OF REMARKS

DISMANTLING THE WOMEN'S
EDUCATIONAL EQUITY PRO-
GRAM

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. FRANK. Mr. Speaker, as Judy Mann pointed out in today's Washington Post, the Reagan administration is now in the process of destroying the Women's Educational Equity Act program. This sacrifice offered to the far right belies the rhetoric we have heard recently from the President about his concern for equality. The dismantlement of the women's education equity program is one more very discouraging example of this administration's opposition to what we need to do to end sexual discrimination.

The article follows:

[From the Washington Post, Sept. 14, 1983]

TWO-FACED

(By Judy Mann)

While President Reagan is preoccupied with international crises, his New Right appointees in the Department of Education are quietly getting away with mischief that will give the Democrats wonderful ammunition to fire into the gender gap.

In the weeks immediately preceding the Korean airline crash, the president toured the country citing his administration's accomplishments on behalf of women. At the American Bar Association meeting in Atlanta, for example, he pledged to "assure that every woman has an equal opportunity to achieve the American dream."

The connection between education and achieving the American dream is well-established. But while President Reagan was saying one thing, his appointees were doing the exact opposite. They were busily carrying out a right-wing vendetta against the only federal program that helps schools and universities give girls and women the same opportunities in education that boys and men have.

Under the guise of a reorganization, Reagan appointees have downgraded the Women's Educational Equity Act program from its place near the top of the Education Department bureaucracy to one near the bottom of it. Five of the seven staff members who worked in the \$5.5 million-a-year program have been RIFed, including Dr. Leslie Wolfe, the program director who was the target of a particularly virulent attack in the Conservative Digest. All five were women. The two people who were not RIFed are men. They, it is worth noting, were protected by veterans preference.

"WEEA is one of the most cost-effective programs in government," says Dr. Bernice Sandler, head of the Project on the Status and Education of Women of the Association of American Colleges. "All of the programs must be replicable. These programs don't push anybody. They encourage the schools to be fair and to give maximum opportunities for all of their students."

The Project on the Status and Education of Women, for example, received a WEEA grant to study the awarding of campus prizes—which are important in getting jobs and into graduate school—and it developed suggestions about how institutions and

foundations can make sure that both men and women students get equal consideration. "We were able to point out things that people were inadvertently doing," Sandler says. "A lot of discrimination is not overt."

WEEA has also given grants to develop manuals for training rural women, for career planning for minority women, for guiding women reentering the job market, and to help women in vocational education programs, in gifted and talented programs and in bilingual educational programs.

WEEA was targeted in the Heritage Foundation's "Mandate for Leadership," which labeled it a haven "for extreme feminist ideology." The editor of the Heritage Report, Charles Heatherly, subsequently became deputy undersecretary for management of the Department of Education, and he has engineered the reorganization.

In April of 1982, the Conservative Digest printed an anonymous article, purportedly written by a "concerned employee in the Education Department," that accused the program of funding "hard-left women's groups" and attacked Wolfe, labeling her a "radical feminist." Within two weeks Wolfe was transferred out of her job and an important part of the grant selection process for 1982 was taken over by a Reagan administration appointee. This produced an outcry among women's groups and in Congress and Wolfe was later reinstated.

Congress has also repeatedly rescued WEEA from administration efforts to kill it by taking away its funding. But this time the program's staunch supporters on the Hill have been unable to block the reorganization that takes its staff and expertise away.

On Aug. 16, RIF notices were sent out affecting WEEA and four other programs, abolishing more than 100 positions, including that of WEEA director, Wolfe, a GS 15, who has been in the civil service 10 years, will be out of a job on Friday.

At the same time the president was trying to mend fences with female voters, his administration abandoned broad enforcement of Title IX, the only law that protects women from discrimination in education, and his appointees gutted the only federal program that promotes equity in education. There is a lesson in this for voters who care about the commitment President Reagan and his aides have toward women.

Watch what they do, not what they say.●

COMMUNITY RENEWAL
EMPLOYMENT ACT

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. LELAND. Mr. Speaker, I rise in strong support of H.R. 1036, the Community Renewal Employment Act, a necessary legislative initiative intended to ease human suffering and hardship the quickest way possible, by providing grants to States and local governments for wages and associated labor costs for community improvement activities.

The Community Renewal Employment Act would provide funds for immediate assistance to long-term unem-

ployed individuals in such important and critically needed activities as disaster relief, emergency food and shelter programs, rehabilitation of aging school buildings, erosion and flood control, and the rebuilding of our Nation's deteriorating infrastructure. We need only look at our home districts to remind each of us how important revitalization of our roads, canals, railbeds and waterworks—to name but a few—is to the community. Such repairs are an investment, leading to a productive return. We clearly see that there are people who need work and that there is work that needs to be done.

The act provides a targeted, yet flexible application of resources to insure that appropriate funds will be directed to high unemployment areas in all regions of the country—both urban and rural—and assures that individuals employed in the projects of high priority funded under the act are those in most severe need of jobs.

Further, of particular importance to this critical problem of job creation is that this act addresses the employment needs of women, who comprise almost half of the labor force. It is the diversity of the Community Renewal Employment Act that provides all individuals with a critical need to work, with the opportunity to participate, while the economy begins to gain that stimulation that it so desperately needs.

With over 10.7 million people in need of work, or 9.5 percent of the American working population, I cannot overstate the immediate necessity of passing the Community Renewal Employment Act. I encourage my colleagues to vote for passage now. A job is a fundamental human need which every citizen must be allowed to pursue. ●

ALAN REYNOLDS: A GUIDE TO
CROWDING OUT

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. KEMP. Mr. Speaker, I would like to add something to today's discussion of the deficit, in the special order of Mr. REGULA. There continues to be a great deal of confusion about the effects of a Federal deficit on the economy. Particular attention has focused on the argument that too large a deficit will crowd out the private sector and abort the economic recovery.

In an excellent paper, economist Alan Reynolds walks through the arguments and evidence on crowding out, and observes that the naive crowding out theories capture only a fraction of the truth about the Federal deficit. There is such a thing as

crowding out, says Mr. Reynolds, but it applies to total Federal use of real resources in a fully employed economy. The bottom line is that tax increases will not help reduce the crowding out problem.

I commend this excellent article to my colleagues:

[Polyconomics, Inc., Political and Economic Communications]

A GUIDE TO CROWDING OUT

(By Alan Reynolds)

The Hoover-era slogan of "crowding out" was revived in 1975 and under similar circumstances in 1983. Crowding out of real resources inevitably occurs at full employment, but for reasons having nothing to do with budget deficits. Purely financial theories of crowding out breakdown by incorrectly assuming a fixed amount of IOUs in a growing economy.

Two distinct versions of financial crowding out—the collision theory and share-of-funds theory—are inconsistent with each other and with the available evidence. The usual comparisons of deficits with savings are particularly misleading without first making some reasonable statistical adjustments. When these adjustments are made, it is apparent that resources available for future use are vastly larger than current personal savings. Also, there is no real "structural deficit" on current account for government as a whole; there is instead a sizable surplus in the relevant budget. Unsupported theories of financial crowding out are being recycled by the President's economic advisers and Federal Reserve Governors in trying to correct a problem that does not exist.

The idea that there is a fixed volume of resources willing to be lent, rather than "consumed," has throughout modern history conjured up a picture of government and private sectors locked inevitably in a struggle for loans. There is a vivid image of "crowding out," a phrase which can be traced back at least as far as the Hoover era. Since the basic idea is incorrect—there is no such fixed volume of lending in a dynamic economy—its translation into policy almost always produces undesirable results. An obvious example was Hoover's enormous tax surcharge of mid-1932, which helped to convert that recession into the Great Depression. The slogan of crowding out eventually faded away, only to be revived again within the last decade.

In May of 1975, the Federal Reserve first initiated specific targets for the growth of the money stock. In order to hit those targets, or perhaps to dampen a real growth rate that was originally reported as 12% in the third quarter, the Fed reduced nonborrowed reserves from May to September. The fed funds rate was thus increased by 20%, mortgage rates rose proportionately, the dollar rose by 12%, the price of gold fell by 14%, and the S&P 500 stock index dropped by nearly 9%.

As the Fed tightened in the summer of 1975, a newly revived fiscal theory of interest rates gained instant popularity. Bill Simon and others argued that huge federal deficits—6.5% of GNP—were "crowding out" investment, housing and consumer durables. Alan Greenspan's Economic Report of the President, published in January 1976, argued that "a reduction in the budget deficit would permit a more expansionary monetary policy. . . . If Government deficits do not decline rapidly enough as the recovery

proceeds, the savings necessary to ensure a satisfactory rate of private investment may be preempted, and the expansion could stall."

But the Fed eased after September of 1975, though taxes were being cut. Inflation declined, the Dow rose from 800 to 1000, and the deficit dropped to 2.8% of GNP by mid-1976. "Crowding out" warnings quickly disappeared from public discussion—until recently.

The crowding out idea persists because it seems to make common sense. This is partly due to a confusion between "real" "financial" crowding out. Real crowding out has nothing to do with budget deficits, or even with all types of federal spending. Instead, crowding out occurs when the government and private sectors both try to buy more real resources—workers, machines, buildings and raw materials—than can be produced with existing capacity and incentives. In that case, some private purchases necessarily have to be crowded out as the government is willing to outbid the private sector by some combination of higher taxes, higher interest rates, rationing, conscription or debasement of the currency.

To put it another way, real crowding out is caused by federal, state and local government purchases in a fully-employed economy, not by federal borrowing in an under-employed economy. Yet real government purchases are actually a smaller share of GNP today (19.2%) than they were three years ago (19.6%), while GNP is far below potential.

Financial theories of crowding out—the kind currently in vogue—do not involve any competition for real resources, but merely an assumed limit on the number of book-keeping entries and IOUs. Financial crowding out makes little sense unless real crowding out is actually occurring. Such theories can be made logically coherent, in a formal sense, only through an incongruous combination of strong monetarist and Keynesian assumptions. The money supply (by whatever definition) is assumed to be fixed by some rigid rule, unable to rise even with a larger real volume of transactions at stable prices. At the same time, though, the deficit is assumed to "stimulate" the real volume of transactions—more government debt in the Keynesian model supposedly makes people feel more wealthy and therefore more anxious to spend. By assumption, this clash of deficit-financed transactions and monetary rigidity would create a relative scarcity of cash. People would give up cash to buy government securities only if offered higher interest rates. This scenario makes no sense when there are many idle factories and workers, there being no sensible reason for tolerating such deflationary scarcity of liquidity.²

Purely financial theories of crowding out might be categorized as "collision" theories and "share of funds" theories. They are often combined in casual remarks, though each contains a hidden theory of interest rates that is quite inconsistent with the other. Members of Congress are understandably confused by these seemingly plausible theories when the Fed, as it did last autumn, permits interest rates to fall even as government borrowing was rapidly expanding.

The collision theory of interest rates presumes that government borrowing is added to private borrowing, is not completely "crowded out." Paul Volcker, in his July 28 testimony to the Senate Banking Committee, thus suggested that "rising private

credit demands . . . are beginning to clash with the continuing heavy financing needs of government." This collision theory assumes that the volume of borrowing explains its price—the interest rate. It may seem intuitively obvious that more borrowing raises interest rates. But is it not equally obvious that there will be less borrowing (and more saving) if interest rates rise? The new result is that more borrowing must cause less borrowing, which is not particularly illuminating.

If a dollar of government borrowing really crowded out a dollar of private borrowing, then combined volume of public and private borrowing would not rise. Even if the volume of borrowing was an adequate explanation of interest rates, the collision theory has to deny that crowding out occurs in order to explain why crowding out raises interest rates. The clash supposedly is a consequence of economic recovery, but it was also supposed to prevent that recovery from occurring. Shrinking deficits in a growing economy are said to be a larger problem than growing deficits were in a shrinking economy.

The collision theory was aggressively used to argue against the 1983 reduction of tax rates. It was said that lower tax rates would produce lower revenues, and higher deficits and interest rates. But this would not follow even if the theory was correct. As Peter L. Bernstein explains, "If a tax cut reduces government revenues . . . it reduces private financing requirements by precisely the same amount. Thus, we substitute government borrowing for private borrowing with no net change in aggregate demands for credit."³ President Reagan has made this precise point in arguing with his own economic advisers.

From a similar perspective, a tax surcharge might reduce the new supply of Treasury bills and bonds (if it didn't collapse the economy), but reduced after-tax incomes and rewards for saving would also reduce the demand for Treasury securities.⁴ Besides, a so-called "huge" deficit of \$180 billion or so is "substantially smaller than the private sector's present holdings of government debt—and only a fraction of its total wealth."⁵ Such a small addition to about \$6 trillion in outstanding debts and \$22 trillion total assets cannot possibly explain a significant change in interest rates.

The alternative "share" theory of interest rates takes many forms, none of which is conceptually or statistically accurate. Federal deficits or gross borrowing are usually expressed as a percentage of net private savings, GNP or total nonfinancial borrowing. Martin Feldstein, for example, writes that "a budget deficit of 5% of GNP would absorb an amount equal to all net saving and would virtually eliminate capital accumulation."⁶

The reasoning behind the share theory is even less clear than the collision theory, though more consistent with the vague ideas about crowding out. Why should the fact that the government is doing relatively more borrowing—and the private sector relatively less—make a private household or firm willing or able to pay a higher interest rate?

Any ratio has both a numerator and a denominator. The ratios of government deficits to private borrowing, saving or GNP have been rising largely because the private sector has been shrinking. Between the second quarter of 1981 and the third quarter of 1982, the annual rate of private borrowing in the "flow of funds" accounts fell

by \$136 billion. If government borrowing had somehow remained the same during that credit crunch, it nonetheless would have gone up significantly as a percentage of the small amount of private or total borrowing.

Advocates of the share theory, such as Senator Patrick Moynihan, Peter Peterson, and Irwin Kellner of Manufacturers Hanover, often find the largest possible measure of government borrowing and compare it with the smallest conceivable measure of available resources. Loans that are sponsored or guaranteed by federal agencies may be counted as government borrowing, for example, even though the funds are loaned to housing, students, farmers and small business. Such bloated measures of government borrowing might then be contrasted with net private savings, excluding depreciation allowances—as though the accelerated depreciation of 1981 did not improve business cash flow and thus reduce the need to borrow working capital. As Lawrence Klein observes, "the funds that businesses set aside for capital recovery, loosely called depreciation charges, form the pool of savings that are held within those establishments."⁷

Before we could seriously examine the question of whether or not budget deficits necessarily "absorb" real savings—the share theory—several adjustments would be required to arrive at a meaningful measure of both deficits and savings. One thing that economists do not dispute is that the familiar unadjusted deficits do not measure anything that is even theoretically relevant to the economy. As we go through the usual adjustment to the deficit estimates, we make some startling discoveries. The most important standard adjustments include the following:

Include net borrowing of federal agencies, as well as state and local governments. This involves netting out any government debt purchased by other branches of government (e.g., pension funds). Any funds that are relevant to the private sector must also be excluded. Herb Stein proposes that we should "exclude all loan transactions from the budget."⁸

Exclude capital investments by federal, state and local governments, regardless whether they are funded by federal or local borrowing. If construction of schools, highways, dams and sewers had to be financed from the tax revenues of a single year, then private borrowing would crowd out such government investment. "If the government spends the proceeds [of borrowing] on an investment project that yields a return to society sufficient to pay the interest costs on the bonds," explains a popular text book, "then there is no future burden."⁹

Estimate "structural" budgets for all levels of government, including state and local, to determine how much of the deficit is a hangover from recession. It makes sense for governments to borrow in hard times, rather than to distort the timing of production decisions by raising tax rates in recessions, to offset revenue shortfalls. Otherwise as Tom Sargent observes, "Citizens withhold resources during periods of temporarily high taxes in anticipation of lower tax rates in the future."¹⁰

Use inflation accounting to reveal the real growth in net government debt held by the public. Inflation shrinks the real value of governments' debt just as it shrinks the amount of everything that can be bought by a dollar. But a nominal deficit that merely offsets inflation is not a real burden on taxpayers, nor a real return to bondholders.

These adjustments are not controversial among serious specialists in macroeconomics and public finance. When Martin Feldstein writes for other economists, rather than for the public, he measures the "deficit" as the inflation-adjusted increase in the combined net debt of federal, state and local governments.¹¹ Willem Buiter of the London School of Economics adopts an even more thorough definition: "The deficit measure that should be the focus of concern," writes Buiter, "is the inflation-and-real-growth-corrected, cyclically adjusted government current account deficit."¹² What we're really looking for is a measure of whether or not the real burden of government debt is rising, whether any increase is a cause of consequence of a weak economy, and whether borrowing is serving a constructive purpose (compared with alternatives).

The difference is not merely a statistical curiosity. Structural surpluses of state and local governments probably exceed any plausible estimate of structural federal deficits. Even at the federal level along, the Budget's "Special Analysis" estimates major nondefense capital outlays at \$108 billion, which leaves an estimated federal current account deficit of \$72 billion. Herb Stein's proposal to eliminate federal financial intermediation (borrowing and re-lending) from the budget would trim another \$90 billion or so from the budget and off-budget deficit. And the \$70 billion inflation adjustment to nominal federal, state and local debt—according to Feldstein's own Economic Report of the President (page 85)—was by itself enough to turn 1981's cyclical deficit of 0.9 percent of GNP into a surplus of 1.5 percent of GNP.

The OECD made only three of the needed revisions, estimating what the real growth of federal, state and local debt would be if the U.S. economy were operating at potential. The result? An OECD estimate of the real structural budget for 1983 is in surplus by 1.8 percent of GNP.¹³ The surplus on current account, after subtracting government investments and lending, would be much larger. In essence, the U.S. public has been asked to pay off past debts quickly at a time of economic distress—like making double mortgage payments after you lose your job.

There are equally enormous conceptual and statistical problems with the denominator of the deficit-savings ratio. If a meaningful deficit existed, could that deficit (and business investment) be financed only out of net private savings? Clearly, Federal deficits can be partly financed from state and local surpluses (e.g., state pension funds buying Treasury bonds), so any comparison of Federal borrowing with private savings alone is not even correct on its own terms. It doesn't make sense to treat the Federal Government separately when Federal grants to state and local governments are about \$95 billion.

Also, the debatable exclusion of newly-generous depreciation allowances from "net" savings at least makes it inappropriate to compare such deficit-savings ratios before and after the 1981 liberalization of depreciation rules. Net savings would appear to be substantially larger if the tax collectors reverted to inadequate depreciation allowances. Even net savings in the U.S. amounted to 9.5 percent of gross output in 1960-66, according to the OECD, and 8.9 percent in 1967-73. It was only in the recent era of floating dollars and creeping tax rates that the net savings rate dropped below 7 percent. At a minimum, it would be neces-

sary to compare structural deficits with structural or potential savings—what savings would be if the economy were not operating far below capacity.

The alleged importance of any current savings rate is a caricature of supply-side analysis, largely due to the misrepresentation of that model by Martin Feldstein and others. The purpose of lower marginal tax rates is to encourage more production, not to shift a larger share of existing anemic production away from consumer goods. A lower personal savings rate in a larger economy can generate more personal and business savings than the high savings rates often experienced during brief recessions.

Although the measured personal savings rate declined in the second quarter of this year, savings nonetheless increased dramatically, even before the July tax cut. Gross private investment rose, in real terms, at a 45 percent annual rate. That is because actual savings—an increase in wealth—depend on the market value of existing assets, household purchases of durable goods, and an accurate measure of retained business profits.

As just one example, the accumulated past savings held in equities rose in value over the past year, as the markets assigned a \$700 billion higher present value to such claims against future production. Conversely, the more recent reversal in stock and bond prices reduced household wealth in exactly the same sense as drawing down a savings account reduces wealth. It is more appropriate to evaluate the whole economy by income flows—ignoring assets and balance sheets—than it would be to evaluate a company on that basis.

Most flow-of-funds analysts, such as Henry Kaufmann, place inordinate emphasis on the personal "savings rate." Unfortunately, the personal "savings rate" is a misleading estimate that contributes to the fallacy that only households save and only businesses invest. It is calculated by subtracting "consumption" from personal income, though many consumer expenditures are just as much "investments" as similar expenditures by business.¹⁴

A company car or uniform is counted as an investment, for example, while a commuter's car or business suit is mere consumption. A physician's education is considered consumption, and so is his patient's purchase of pills, but the doctor's office itself and the pharmaceutical factory are "investments" providing the same service. A new laundry, restaurant or movie theatre is an investment, but a competing home washer, microwave oven or video recorder is not. Such distinctions are too arbitrary to be taken seriously. The classical supply-side model focuses on production, ignoring the useless debate on whether that production is consumed by those who produced it or by those who borrowed it.

Savings is the absolute amount of production devoted to future uses, not the relative share devoted to purchasing consumer goods. The recent increase in household wealth has included durable goods and services, as well as financial claims to future goods and services. Measured "savings rates" may decline when wealth grows more rapidly than current income, but an increase in wealth can scarcely make it more difficult to service both government and private debts.

The real resources available to finance both public and private investments include much more than the portion of this month's money income that is not "consumed." If

every rise in "investment" had to be financed by cutting back on consumption, then there would be no purpose for stocks and bonds. Actual resources that can finance future budget deficits include not only the increases in wealth that are mis-measured by flows of U.S. savings, but also the entire world's stock of past wealth and underutilized real resources. The value and liquidity of past savings (assets) usually have more impact on interest rates than the volume of new savings. A tax and monetary policy that enlarges future economic growth results in "crowding in"—the supply of goods and services expands to accommodate the claims against those goods and services, including government debt. There are then more resources available for both lending and consumption.

If the collision theory or share-of-funds theory explained interest rates, it would be a simple matter to present a graph or table showing how either total borrowing or some deficit-savings ratio moved up and down with interest rates. The fact that nobody has bothered to offer such evidence—not even Paul Volcker or Martin Feldstein—is revealing. It is because neither theory works. As a recent survey for the Kansas City Fed reluctantly conceded, "empirical evidence does not necessarily contradict the view that budget deficits have no effect on interest rates, real or nominal." A new Treasury Department study likewise reveals that "there is simply no discernible correlation between changes in government borrowing and changes in either interest rates or exchange rates."¹⁵

The usual method of evading the facts is to devise a new theory. In this case, the new theory is that estimated future deficits have effects in the present—effects that present deficits did not have in the past and do not have right now. On this theory, interest rates should have fallen in 1979, when the Budget "projected" a surplus of \$73 billion in 1983.

Benjamin Friedman of Harvard worries that "projected deficit paths will continue to carry the debt ratio [as a percent of GNP] sharply higher; instead of returning it toward the postwar low reached in 1974 . . . the Reagan budget path will return the ratio to its 1964 level."¹⁶ If that sounds alarming, consider whether the economy was noticeably more stable in 1974 than in 1964.

It is true that the real net debt of government cannot grow forever at a rate much faster than the real economy. If it did, governments would exhaust their credibility as borrowers. There are several reasons why this hypothetical concern is not relevant to the U.S. situation, or to the proposed "contingency tax" solutions.

First, even if the OMB were right about \$200 billion federal deficits through 1988, that tells us virtually nothing about a meaningful measure of real government debt. "The conventionally-defined deficit," as a rigorous analysis demonstrates, "can grow forever without causing inflation."¹⁷

Second; since tax surcharges and energy excises reduce potential real growth, they could easily raise the ratio of debt to a smaller GNP—even if they somehow squeezed a few dollars out of the enfeebled economy. "If the method chosen to close the deficit happens to be the one that makes investors and leaders fearful of the future, then narrowing or eliminating the deficit by this method would only serve to make the situation worse."¹⁸

Third, reducing real government debt through inflation, as in 1964 to 1974, creates

far more problems than maintaining a high ratio of debt to GNP at low interest rates, as in 1950 to 1964. Using inflation to repudiate old debts makes it impossible to finance either new deficits or business expansion without short maturities and high interest rates.

Fourth, although there are hypothetical limits to how long and how high the ratio of real debt to GNP can rise, the U.S. is clearly nowhere near those limits. Federal, state and local deficits from 1942 to 1945 were clearly "structural" (unemployment was 2.4 percent), and they amounted to 22 percent of GNP and 87 percent of gross savings. The national debt eventually exceeded a whole year's GNP, yet long-term interest rates remained pegged by the Fed at 2½ percent.

Back in August of 1975, many investors and business planners were undoubtedly persuaded that interest rates could only keep rising, because of crowding out. Those investors held more cash, in anticipation of rising short-term interest rates, and businessmen held minimum inventories. A temporary excess demand for liquidity was mistaken for a lasting shortage of potential savings or real resources. Those who clung to a budgetary explanation of interest rates, even as the Fed finally eased, missed a sizable portion of the financial and real opportunities.

As the Presidential campaign unfolded in 1976, however, it became clear that a Carter-Biumenthal policy mix would be identical to the 1976 proposals of Alan Greenspan, which are also the 1983 proposals of Martin Feldstein. That bipartisan policy mix was to solve the nonexistent crowding out problem by restraining real output with ever-increasing marginal tax rates, while stimulating spending with a perpetual devaluation of the dollar. Budget deficits were indeed temporarily converted into structural surpluses, but the more significant results were runaway inflation and nearly four years of economic contraction.

Today, there is no more logic and evidence behind the vague slogan of financial crowding out than there was in 1975. The proposed "solutions" have also not improved—raising tax rates with surcharges or limits on indexing, probably combined with competitive devaluations. If anything, the crowding out analogy has become even less coherent than in 1975, and more immune to evidence and experience. Its only real relevance is that the slogan itself might again prevent either political party from offering an agenda for economic growth beyond the next presidential election. Crowding out is not serious economic analysis, but a political theology.

FOOTNOTES

¹ Keith M. Carlson and Roger W. Spencer, "Crowding Out and Its Critics", Federal Reserve Bank of St. Louis Review (Dec. 1975); James L. Pierce was an early critic in "Interest Rates and Their Prospect in the Recovery", Brookings Papers on Economic Activity (1975 I).

² Thomss Wilson, "Crowding Out: The Real Issues", Banca Nazionale del Lavoro, Quarterly Review (September 1979).

³ Peter L. Bernstein, "The Bond Market: More Red than Dead" Bondweek (Sept. 21 1981).

⁴ David I. Meiselman, "Fiscal Policy and Interest Rates: The Great Deficit Swindle of 1982" Tax Review (May 1982).

⁵ Charles Pigott, "Deficits, Interest Rates, Crowding Out" Federal Reserve Bank of San Francisco (July 2, 1982); John Rutledge, "The Structural Deficit Myth" the Wall Street Journal (August 4, 1983).

⁶ Martin Feldstein, "Why and How to Contain Red Ink" the Wall Street Journal (July 15, 1983).

⁷ Lawrence Klein, "Crowding Out Won't Be A Problem" Los Angeles Times (July 19, 1983). See also Evan Galbraith "Private Borrowing and the Federal Deficit" the Wall Street Journal (February 3, 1983).

⁸ Herbert Stein, "Agenda for the Study of Macroeconomic Policy" (America Enterprise Institute 1982).

⁹ Robert J. Gordon, "Macroeconomics" (Little Brown 1978) p. 498.

¹⁰ Thomas J. Sargent "Back to Basics on Budgets" the New York Times (August 10, 1983); Robert Barro "Federal Deficit Policy and the Effects of Public Shocks" NBER Working Paper No. 443 (1980). Professor Sargent neglects to mention that the "present value" government deficit as he defines it—excluding capital outlays and adjustment for temporary emergencies—is actually a surplus.

¹¹ Martin Feldstein, "Government Deficits and Aggregate Demand" Journal of Monetary Economics (9-1982).

¹² Willem H. Buiter, "Deficits, Crowding Out and Inflation: The Simple Analytics" NBER Working Paper No. 1078 (Feb. 1983).

¹³ OECD, "Structural Budget Deficits and Fiscal Policy responses to the Recession" (March 4, 1983).

¹⁴ Larry Pratt, "Savings, Taxes and Economic Growth" American Institute for Economic Research (May-June 1980); Charles Steindel et al. "Perspectives on Personal Saving" Federal Reserve Bulletin (Aug. 1980). In the first month after the July 1 tax cut, however, measured personal savings did rise at a \$31 billion annual rate—more than the entire \$29 billion static estimate of the size of the tax cut itself.

¹⁵ Charles E. Webster, Jr. "The Effects of Deficits on Interest Rates" Federal Reserve Bank of Kansas City Economic Review (May 1983); Manuel Johnson, "Government Deficit Spending and Its Effects on Prices of Financial Assets" U.S. Treasury (May 1983).

¹⁶ Benjamin M. Friedman, "Managing the U.S. Government Deficit in the 1980's" (Harvard, April 1983).

¹⁷ Bennet T. McCallum, "Are Bond Financed Deficits Inflationary? A Ricardian Analysis" NBER Working Paper No. 905 (June 1982).

¹⁸ G. Thomas Woodward, "Large and Continuing Deficits: Their Influence on Macroeconomic Performance" Library of Congress (July 1, 1983).●

MAJORITY IN COUGHLIN POLL OPTIMISTIC ON ECONOMY

HON. LAWRENCE COUGHLIN
OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES
Wednesday, September 14, 1983

● Mr. COUGHLIN. Mr. Speaker, I am sharing again the results of my annual mail questionnaire poll of Pennsylvania's 13th Congressional District with my colleagues. I believe the findings are important since they reflect results of nationwide surveys.

While the poll was conducted before many events of worldwide significance took place, I feel the results—compiled for a July 31 deadline—indicate the deep and serious interest of my constituents in national and international issues. A total of 13,585 individual responses was received before the deadline. Many constituents also wrote in additional views on questionnaire pages and sent separate letters expounding on a number of major topics.

As usual, I will submit a copy of the results to the White House.

Key findings of the survey mailed to homes and postal boxes throughout the congressional district include:

A majority believes the Nation's economy is better today than it was both 1 and 2 years ago. In a four-part

query on the economy, 69 percent feel the country is better off today than a year ago. Twenty-four percent disagree. Sixty-six percent feel the Nation is better off today than 2 years ago. Twenty-seven percent disagree. Fifty-four percent foresee a sustained economic recovery while 23 percent do not. The remainder in each question is undecided.

On reducing an anticipated \$200 billion Federal deficit, a majority of 58 percent selected defense as No. 1 for cuts out of the three choices offered. Closely behind at 46 percent was reducing social spending. Only 15 percent want to increase taxes. A number of other suggestions was written in a space provided for other choices.

In foreign affairs, my constituents split sharply over issues of American military aid and involvement in the Central America fighting. I noted Soviet and Cuban-supported activity in introducing a three-part question. Forty-eight percent favor the United States continuing military aid, but not supplying troops, to the El Salvador Government. Thirty-five percent oppose such aid. Less than one-third—31 percent—approve of supporting anti-government guerrilla forces opposing the Sandinista government in Nicaragua. Forty-three percent oppose it. Forty-three percent answer "yes" when asked if there are any circumstances in which they would support direct U.S. intervention in the affairs of a Latin American country. Forty percent responded "no." The remainder in each question is registered as undecided.

Further questions in foreign affairs produced a majority of 57 percent which answered "little or none" when queried on what effect a congressionally passed resolution for a mutual nuclear weapons freeze would have in encouraging the Soviets to negotiate arms treaties with the United States. Twenty-five percent saw a good effect. The remainder checked off the "undecided" box. This was the first of a three-part question on United States-Soviet negotiations to reduce nuclear arms arsenals.

In trying to assure accuracy in compiling the results, my district office staff checked findings twice. Each questionnaire afforded space for two residents of a household to respond. A message in the survey informed constituents that additional questionnaires were available from my district office.

QUESTIONNAIRE RESULTS—1983

1. Economic recovery remains a principal concern throughout the country.

A. Do you feel the Nation is better off than a year ago?

Yes.....	69%
No.....	24%
Undecided.....	7%

B. Do you feel the Nation is better off than 2 years ago?

Yes.....	66%
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No.....	27%
Undecided.....	7%

C. Do you foresee a sustained economic recovery?

Yes.....	54%
No.....	23%
Undecided.....	23%

D. To help reduce the anticipated \$200 billion deficit, what action is most necessary? (one or more)

Cut social program funding.....	46%
Cut defense spending.....	58%
Raise taxes.....	15%
Other (specify).....	20%
(Totals more than 100% because more than one choice available.)	

2. Escalating health care costs pose serious problems for government and individuals.

A. Do you favor mandatory controls on hospital and doctor fees where government reimbursement is involved?

Yes.....	71%
No.....	18%
Undecided.....	11%

B. Do you favor health insurance vouchers for Medicare eligible individuals to allow them to shop for the best coverage and to force insurers to compete for Medicare patients?

Yes.....	71%
No.....	13%
Undecided.....	16%

3. Americans repeatedly have expressed their interests in preserving our environment.

A. Should the Environmental Protection Agency regulate all businesses which generate small (100 kilograms or about 220 pounds or less a month) amounts of hazardous waste?

Yes.....	63%
No.....	24%
Undecided.....	13%

B. Even if it results in higher utility rates, should the Congress enact tougher laws to cut sulfur dioxide emissions from coal-burning utilities to reduce acid rain?

Yes.....	67%
No.....	21%
Undecided.....	12%

4. U.S.-Soviet negotiations to reduce nuclear weapons arsenals are of global consequence.

A. Do you believe that President Reagan is making sufficient efforts to achieve verifiable and mutual arms reductions with the Soviet Union?

Yes.....	44%
No.....	43%
Undecided.....	13%

B. What effect would a Congressionally-passed resolution for a mutual nuclear weapons freeze have in encouraging the Soviets to negotiate arms treaties with the U.S.? (one only)

Good.....	25%
Bad.....	15%
Little or none.....	57%
Other (specify).....	3%

C. Who bears the most blame for the continuing nuclear arms race between the U.S. and the Soviet Union? (one only)

United States.....	6%
Soviet Union.....	40%
Both equally.....	50%
Other (specify).....	4%

5. Soviet and Cuban-supported activity in Central America is a mounting concern.

A. Should the U.S. continue to supply military aid, but not troops, to the El Salvador government?

Yes..... 48%
 No..... 35%
 Undecided..... 17%

B. Should the U.S. be supporting anti-government guerrilla forces opposing the Sandinista government of Nicaragua?

Yes..... 31%
 No..... 43%
 Undecided..... 26%

C. Are there any circumstances in which you would support direct U.S. intervention in the affairs of a Latin American country?

Yes..... 43%
 No..... 40%
 Undecided..... 17%

6. U.S. efforts towards peace in the Middle East continue to be frustrated by opposition of Arab governments.

A. Should the U.S. condition aid to moderate Arab States on their support of our peace efforts?

Yes..... 62%
 No..... 25%
 Undecided..... 13%

B. What should be the level of U.S. aid to Israel? (one only)

Higher..... 12%
 Lower..... 40%
 About the same..... 36%
 Other (specify)..... 12%

7. Should all natural gas be deregulated immediately?

Yes..... 35%
 No..... 43%
 Undecided..... 22%

8. Do you favor taxpayer funding of Congressional election campaigns?

Yes..... 31%
 No..... 58%
 Undecided..... 11%

Party preferences of those responding:
 Republican..... 63%
 Democrat..... 22%
 Non-partisan..... 14%
 Other..... 1%

Ages of those responding:
 18 to 21..... 1%
 21 to 35..... 17%
 35 to 50..... 25%
 50 to 65..... 32%
 65 and over..... 25%●

WE MUST ENCOURAGE HIGH-TECH INFORMATION AGE PRODUCTS AND SERVICES

HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. CORCORAN. Mr. Speaker, recently an editorial appeared in my home State that merits the careful attention of my colleagues. The Chicago Tribune editorial which follows outlines some of the concerns involved in the telecommunications issue.

Technological advances and competition have forever changed the telecommunications landscape. The FCC, in the late sixties and early seventies, began to recognize that these technological advances and changing custom-

er needs had blurred the distinctions between data processing and communications. In 1974, the Department of Justice filed suit against AT&T for monopolizing telecommunications in a changing communications environment in equipment and long-distance services. The communications world has changed, and we need to evaluate communication products and services for a new age, the information age environment.

I seek in the State of Illinois and the Nation the creation of an environment that encourages the growth of high technology information-age products and services. I seek jobs in Illinois related to these high technology firms that manufacture and supply communication appliances and services. I seek consumer opportunities in communication services and products that provide options in prices and products.

Universal service concepts must be preserved, but they must be preserved for today's and tomorrow's environment, not for yesterday's world. The fact is that much of the pending legislation speaks to "yesterday" and will not meet the "tomorrow" electronic technology needs of Illinois or the Nation.

Universal service can be preserved for rural and urban areas with targeted approaches that preserve the consumers' choices at affordable prices. Universal service can be assured with consumer options that provide everyone opportunities to choose products at prices that suit their local service and long-distance needs.

Congress has the responsibility to meet today's and tomorrow's communications requirements without hidden consumer costs or penalties to certain States. We need to support a plan that recognizes our Nation's future consumer and business communication needs. Particularly as a member of the House Energy and Commerce Committee, the committee of jurisdiction, I will be closely following this matter.

Mr. Speaker, for the benefit of our colleagues, I would like to include in the RECORD at this point the text of the August 28, Chicago Tribune editorial on this subject:

THE UNIVERSAL PHONE RIPOFF

A group of legislators, led by Sen. Robert Packwood (R., Ore.), is counting on the majority of telephone users to be suckers. They are proposing legislation designed to tax interstate data transmission systems as a way of subsidizing local telephone companies. And because their legislation is an alternative to a Federal Communications Commission plan to tack on an extra couple dollars a month to your local phone bill, they expect you to see them as protectors of your pocketbooks.

Don't let them confuse you. The Packwood proposal is a way of getting competitive businesses to subsidize local phone company monopolies. It is a way of soaking populous states like Illinois to subsidize emptier states. And it is a way of getting the industrial Northeast and Midwest to subsidize phone service in the Sunbelt.

The Packwood plan masquerades under the name of the Universal Telephone Service Act. That title itself ought to be a tipoff. When a congressman gives his bill a motherhood and apple pie name, watch out for your wallets and your liberties.

The proposal means to supplant an FCC plan to add \$2 a month (going up to \$4 by 1986) to residential phone customers' bills and \$6 a month for businesses. This money would go to the local phone companies to reimburse them for the service they provide in giving customers access to long distance lines. Since local rates will be going up anyway as a result of the splitup of AT&T, Sen. Packwood and others are telling customers they can get away without paying this extra fee.

The way it would be done is to levy a charge against interstate communications—AT&T, its long distance telephone competitors and every other interstate data link, regardless how remote it might be from the business of telephone communication. The money would go into a pool to be distributed among the local telephone operating companies on the basis of need; that is, the least efficient companies would get the biggest subsidies.

For Illinois, that means that its residents would pay in up to \$90 million in their long distance bills and receive back an estimated \$288,000 in the way of defrayed local service costs. That is a ripoff.

The biggest beneficiaries will be the South and Southwest. And if there is one thing that is not needed just now in the competition for jobs and industry between the Sun Belt and the industrial states, it is a government thumb on the Sun Belt side of the scales.

Moreover, there is something wrong with taxing a highly competitive industry, such as interstate telecommunications, in order to subsidize a monopoly industry, such as the local telephone companies. Many of the enterprises that would bear the tax have nothing at all to do with telephone services. Some were born as a way to get out from under the monopoly power of the Bell System.

But because the FCC plan involves a clearly defined cost to customers, legislators like Sen. Packwood think they can muster political support for a hidden and much less equitable charge. The thing to remember is that the customer will be paying under either proposal. The only difference is that under the FCC plan the customer will get the benefit of what he pays. Under the Packwood plan, the federal government will distribute the money in such a way that the people of Illinois will finance Rocky Mountain seclusionists and the Sun Belt states that are taking away their jobs.●

"REAGAN'S LAW"

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. OTTINGER. Mr. Speaker, I would like to call to the attention of my colleagues an essay by Mark Green of the democracy project, which appeared August 22 in the New York Times. Mark Green's article, "Reagan's Law" brings to light with frightening clarity this administration's fla-

grant disregard for, and manipulation of, the law.

The Reagan administration continues, on a wide range of issues, to ignore the will of the legislative branch by not enforcing the laws and regulations mandated by Congress. Most recently, the administration has perversely twisted laws requiring the Department of Energy to establish energy efficiency standards for major home appliances. Instead of issuing energy standards for appliances, as mandated by the Energy Policy and Conservation Act of 1975, the administration has issued a standard of "no standard" for each category of appliance. DOE, despite its own studies which prove otherwise, argues that the energy savings from imposition of the standards would not be significant.

The failure to issue any legitimate standards for home appliances is just one of a long line of offenses committed by this administration in executing the law. I strongly commend Mr. Green's essay to my colleagues for his insight into President Reagan's legal laxness.

[From the New York Times, Aug. 22, 1983]

REAGAN'S LAW
(By Mark Green)

Much has been written about Reaganomics. But what of Reagan law—a pattern of elevating ideology above law that increasingly characterizes the Administration?

A decade after Watergate, with its smoking guns and jail doors slamming shut, the public and press tend to yawn at lesser offenses. But the Environmental Protection Agency scandals and Supreme Court airbag decision—the Justices unanimously overturned the Government's elimination of the life-saving passive-restraint standard for cars—should remind us that Administrations don't have to authorize burglary of political opponents to violate their public trust. Consider, for example, the recent flood of examples in which Reaganites have failed to fulfill their Constitutional oaths to "faithfully execute the laws."

Among their most flagrant transgressions have been failures to enforce existing Government regulations. Frustrated by the courts and Congress in its effort to weaken health and safety safeguards, the Administration has adopted the tactic of tax enforcement. Instead of enforcing the law, Reaganites rely on "voluntary cooperation" because, says Thomas Auchter, head of the Occupational Safety and Health Administration: "Our job is health and safety. We are not interested in crime and punishment."

Recall that, upon taking office Anne Burford of the E.P.A. abolished the enforcement division, and pollution cases fell 70 percent to 80 percent. And as is demonstrated by the personal calendars of Rita Lavallo, the E.P.A. administrator involved in the Superfund scandal, the agency was more likely to take polluters to lunch than to court.

Over at OSHA, citations for violations fell 49 percent, follow-up inspections by 55 percent and fines 77 percent from the last year of the Carter Administration. The Securities and Exchange Commission refuses to prosecute Citicorp for alleged violations in currency transactions, arguing that since

management never said it would act with honesty or integrity, it did not have to disclose breaches of those standards.

The unwillingness of the Justice Department's Civil Rights Division to enforce the 1964 Civil Rights Act prompted 200 of its lawyers to take the unprecedented step of collectively protesting to their superiors. A White House aide, Michael Uhlmann, said it was wrong to charge the Administration with not enforcing the law in civil rights, "unless you call all the decisions of the Supreme Court the law of the land." He doesn't?

At the Federal Trade Commission, an economist recently recommended against recalling a defective product, arguing that the families of victims should instead sue for compensation. A disbelieving Representative, Albert Gore Jr., Democrat of Tennessee, said: "Some screwball thought market forces could be defined as lawsuits by widows and orphans."

The result of all these regulatory cops asleep on the beat? "It's sending signals out all over the business community," said a Federal Trade Commission official who served in the Nixon Administration. "It's like giving them a license to steal." A top lawyer at the Consumer Product Safety Commission admitted that a severe drop in the number of voluntarily reported dangerous products may be a result of the agency's unwillingness to fine nonreporting companies.

There are also instances when a Reagan Administration pronouncement or policy will violate the spirit, if not the letter, of the law. Thus, for example, Presidential adviser Edwin Meese 3d calls the American Civil Liberties Union a "criminals' lobby" because of its advocacy for the Bill of Rights. President Reagan seems to condone illegal break-ins by pardoning two former F.B.I. agents convicted of unlawful entries because "they acted . . . in the belief that they had grants of authority reaching to the highest levels of Government"—despite a jury's finding that the two acted without prior approval and knew that break-ins were illegal.

Similarly, Mr. Reagan denied that the United States is aiding counterrevolutionaries in Nicaragua in violation of the Boland amendment—but then admitted as much under pressure, but asserts that our purpose is not the counterrevolutionaries' purpose of overthrowing the Sandinistas. Further, he has appointed high regulatory officials who say they don't believe in their agencies' mission: The head of OSHA ran a company that repeatedly violated OSHA standards; a rancher runs the Bureau of Land Management; a laissez-faire economist runs the F.T.C.

In the judicial area, the so-called Department of Justice is compiling a record rivaling that of the 1962 Mets, baseball's greatest losers. Indeed, the airbags decision is only the most recent instance in which a Federal court—the judges have been Republican and Democratic—struck down unlawful rules of conduct by the Administration.

In July, a Federal court of appeals threw out the so-called "squeal rule," which required family-planning agencies to tell parents if minor children sought birth-control devices. The Administration's denial of Federal aid to students who failed to register for the draft was ruled unconstitutional in June because it "inflicts punishment . . . without the protection of a judicial trial," according to a Federal judge. The Federal appeals court in Boston concluded in May

that a Treasury Department regulation forbidding Americans to spend money for travel to Cuba violated a 1978 amendment to the Passport Act.

Even before this recent losing streak, the Administration had fared poorly in the courts. The Supreme Court decided, 8 to 1, that segregated schools were not entitled to tax exemptions. Various Federal courts of appeals struck down the E.P.A.'s attempts to ease regional pollution standards and to suspend regulations on toxic discharges into municipal waste-treatment plants. Federal district court judges ordered the Interior Department to stop "flouting the law" by failing to collect assessed fines for land-reclamation abuses.

Why this contempt for the law? First, the Administration pulls its law-enforcement punches when the subject is business violations. Recall the E.P.A. memorandum that criticized one agency official for "systematically alienating the primary constituents of this Administration, the business community." So while welfare cheats or food stamp violators can expect the book to be thrown at them, mine-safety violators or white-collar criminals can expect "voluntary cooperation."

And second, this Government attempts to shape the law to suit its ideology. This is nothing new to Mr. Reagan. He opposed the 1964 Civil Rights Act as "unconstitutional," and he dismissed the Watergate crimes of H. R. Halderman and John Ehrlichman because these Republican loyalists were "not criminals at heart." To Mr. Reagan and his appointees, legal standards and traditions appear to be just so many inconvenient obstacles to their conservative assault on the public sector—although, in truth, this contempt for the law is not a very conservative ethic.

President Reagan is often accused of "unfairness"—of comforting the comfortable and afflicting the afflicted. Clearly, this is of a piece with the way he legally discriminates in favor of power and against the vulnerable. Ronald Reagan's legal laxness flouts the wisdom of a Harvard law professor, Thomas Reed Powell, who urged that "the less favored in life will be the more favored in law." ●

MARY PEREZ IS HONORED FOR
41 YEARS OF SERVICE TO SA-
VANNA SCHOOL DISTRICT

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. PATTERSON. Mr. Speaker, I invite my colleagues to join me in commending a constituent of mine who has been a positive influence in the lives of many students in the Savanna school district.

Mary Perez is being honored on September 28, 1983, for her 41 years of continuous service as a school custodian. The Mary Perez School was dedicated on November 29, 1967. This was the first school in California to be named for a classified employee.

Miss Perez has exemplified the spirit of the Savanna school district to both fellow workers and students. Mary

Perez has always been a loyal, efficient, and conscientious employee. Her dedicated efforts have earned her the highest respect from all of those who have had the pleasure of working with her.

On behalf of both the students and fellow employees of Savanna school district, Mary Perez is to be highly commended. Mr. Speaker, it is with pride that I ask my colleagues to join me and my community in honoring Mary Perez for her 41 years of loyal service.●

IN MEMORY OF JAMES CURTISS
HARPER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. STOKES. Mr. Speaker, it is with a deep sense of personal loss that I inform my colleagues of the death of my good friend and administrative assistant, Mr. James C. Harper. Mr. Harper passed on during the recess period, August 26, 1983.

Harper, as we fondly called him, served as my administrative assistant for more than 12 years. We had been friends for over 35 years. He was an exceptionally capable and highly respected professional. Beyond that, he was an individual of impeccable integrity.

Many of my colleagues and many employees on Capitol Hill knew James Harper. Those who knew him admired and respected him immensely.

His death leaves a void in the lives of myself, my wife Jay, my family and staff, as well as in the lives of the people he came in contact with each day on Capitol Hill.

At this time, I would like my colleagues to join me in expressing their condolences to the Harper family on the passing of my friend, Jim Harper. Mr. Speaker, I would like to insert in the RECORD the remarks which I delivered at the funeral services which were held in Cleveland.

IN MEMORY OF JAMES CURTISS HARPER

THE HOUSE BY THE SIDE OF THE ROAD

There are hermit souls that live withdrawn,
in their place of self-content
There are souls like stars, that dwell apart,
in a fellowless firmament;
There are pioneer souls that blaze their
path where highways never ran—
But let me live by the side of the road and
be a friend to man.

Let me live in a house by the side of the
road where the race of men go by—
The men who are good and the men who are
bad, as good and as bad as I.
I would not sit in this corner's seat or hurl
the cynic's band—

Let me live in my house by the side of the
road and be a friend to man.

I see from my house by the side of the road
by the side of the highway of life,

The men who press with the ardor of hope,
the men who are faint with the strife.
But I turn not away from their smiles nor
their tears, both parts of an infinite
plan—

Let me live in a house by the side of the
road and be a friend to man.

I know there are gladden meadows ahead,
and mountains of wearisome height;

The road passes on to the long afternoon
and stretches away to the night.

And still I rejoice when the travelers rejoice
and weep with the strangers that
mourn,

Nor live in my house by the side of the road
like a man who dwells alone.

Let me live in my house by the side of the
road, it's here the race of men go by—

They are good, they are bad, they are weak,
they are strong, wise, foolish—so am I.
Then why should I sit in the scorners' seat,
or hurl the cynic's band?

Let me live in my house by the side of the
road and be a friend to man.

This poem by Sam Walter Foss seems more than any other to express Jim Harper's philosophy about life and friendship. In this church today are many people who enjoyed a unique friendship with him. He was my best friend and I was privileged to enjoy that friendship with him for more than 35 years. For the last 12 years we worked together every day.

At a time like this one's memory bank flashes back. As the memories continue to flash by, I realize that we shared many hopes, dreams, fears, confidences, and innumerable experiences over these years.

Interestingly enough, Harper's friendship with my brother Carl began before he and I met. In fact, it was at my mother's home where Jim and Barbara were visiting Carl that I first met Barbara when she and Jim had just begun dating. And Barbara when you remarked to me a few days ago that you and Harper had 31 beautiful years of marriage together, I had no idea that time had passed so swiftly. I think all of us know how much you loved Harper and how much he loved you. A few weeks ago he came into the office one morning during the time he was very sick. I opened the door to his office and went into see him. Right after we exchanged greetings he looked up at me and said, "Barbara is beautiful. She really takes care of me. Barbara is beautiful."

All of us knew the special love and devotion you gave him throughout your marriage and especially over his long period of illness. And he loved and was devoted to you. So you have much to be thankful for. You had a beautiful marriage to a wonderful man, and my wife, Jay, and our children and I cherish the relationship our families have had. He was special to each of us.

To Jimmy and Malcolm and Sandy and Kim your father loved the ground each of you walked on. You were privileged to have an extraordinary father who set a sterling example for each of

you. Not only was he a good husband and father but he also set a high standard of achievement and performance for himself. Both in Washington and Cleveland he was highly respected in his field. Jim Harper was unquestionably the best administrative aide on Capitol Hill.

In this capacity his integrity was impeccable and his loyalty was unsurpassed. Throughout his lifetime and his various positions he helped a lot of people. While he was with me he helped a lot of little people who could not help themselves. He never talked much about what he accomplished for them. He would bring a situation to my attention and ask if he should do something about it. Once I OK'd it he would remedy the situation and then move on to something else. There is a lesson for you in his work. He had a dedication and commitment to helping the less fortunate. He loved people and he treated people like he wanted to be treated—with respect.

In order to put Harper's life in perspective we need to comprehend the whole man. Harper was fun loving. He loved a good time. He enjoyed his friends, both in his home and in their homes. Until he got sick, he really enjoyed life. Above all he loved to tease and the more he got the best of you—the more he teased. He loved cars. He loved to talk about them and he loved to drive them. He also loved to argue and he did not care which side of any issue he took, for he often took the side opposite to his own views just so that he could get the argument.

Here today are both the Cleveland and Washington staffs. Most of these people on both staffs were hired by him. Almost all of them had some daily interaction with him. I know that I speak for them when I say that each of them had their own special relationship with him and he will always have a special place in each of their hearts.

Last night Mother Harper said to me, "He was my heart." We know he was your heart, Mom, and you were his heart too. We know that he called you every day. He loved you and Doris and Mildred and Chris and Al, and all of his relatives. He will live on in each of your hearts.

The day before Harper passed away Jay White came to my Washington office and visited with Harper. Buddy James spent an afternoon with him a week ago. Carl Stokes and Russell Adrine spent time with him in Washington 2 weeks ago. These last visits with him will be precious memories for each of us. Each cherished their friendship with him. Someone has said that, "friendship is a sweltering place, yet its pillars always hold—and never do come tumbling down to leave one in the cold."

Over the last 12 years there were many times when Harper would complete some special affair or project for me. Generally, in order to express my appreciation I would say to him, "Harper, you really did a beautiful job." In typical Harper fashion he would never say, thanks, Lou. He would always say with a sly grin, "As usual," and he would walk away.

The other thing he would do was to come into the office every morning at 8 o'clock—he would work all day—most days he ate his lunch at his desk—and worked throughout the day. But every day at precisely 5:30 he went home.

Today as I look back over his life and try to put it into perspective for a final comment, I guess the best way to summarize his life is to say: Harper, you did a beautiful job, as usual—and now it's 5:30—time to go home.●

TRIBUTE TO FATHER ROBERT J. MCCOY

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. EDGAR. Mr. Speaker, today I would like to pay tribute to Father Robert J. McCoy, a man of great compassion and generosity, a man who will be forever in the hearts of those he touched. Father McCoy served as national chaplain of the Veterans of Foreign Wars for 2 years, and as chaplain for the Department of Pennsylvania Veterans of Foreign Wars for 18 years. He was a man who comforted those in need, not only veterans and the families of veterans, but also those he served as parish priest.

It is impossible for any of these words or those of the following tribute to fully express the lasting contribution Father McCoy has made. He will always be remembered for the unparalleled service he gave to God, his fellow man, and to his country.

The following is a tribute given at the Veterans of Foreign Wars Convention in New Orleans last month by the commander in chief of the VFW, James F. Currie:

FATHER ROBERT J. MCCOY

Many men aspire to greatness; few achieve it. The Rev. Robert J. McCoy was one who did. His greatness lay not in the amassing of things of this world, for his priestly calling did not permit of it. No, his greatness is to be found in the faces of the thousands upon thousands of Veterans of Foreign Wars and Ladies Auxiliary members who were fortunate enough to have shared a few moments with him.

Fr. McCoy served the Veterans of Foreign Wars as National Chaplain for two terms, in 1963-64 and 1970-71, and the Department of Pennsylvania as its Chaplain for 18 years. It was in his National and Department Offices that most VFW and Ladies Auxiliary members came to know him.

Although a Roman Catholic priest, Fr. McCoy never pressed his own beliefs on anyone in this organization, unless, of course, they were sought. No. Fr. McCoy's heart was open to all, to provide religious counsel, comfort and consolation. It was enough for him to know that a person was a veteran or a member of a veterans' family. The entire VFW was his parish and each of its members his parishioner. His compassion was boundless.

Fr. McCoy was a gifted man. He had the wit and charm of his ancestors' Irish homeland. He had complete faith in God. Quite often he tossed aside the niceties of theological disputation to get to the heart of an issue. For him, that issue was man's role in life, the reasons for human existence and how suffering on earth can be reconciled with the fulfillment of the divine promise. About the answers, he was never assailed by doubt.

As a priest and as a soldier, Fr. McCoy experienced human suffering in full measure. An Army ordnance officer in World War II, he landed in Normandy on D-Day and continued his soldierly vocation to the end of the war.

It was not until after he left the Army at war's end that he entered the seminary to realize his lifelong ambition to enter the priesthood. He was ordained in 1950 and at the time of his death on July 16, 1983, he was pastor of Holy Rosary Church in Juniata Altoona, Pennsylvania.

His notation on a biographical sheet filed in the archives of National Headquarters sums up Fr. McCoy:

"Ambition: to be a better priest before God and man; to continue to serve my parishioners and the VFW; to get in some more travel; and to help make our great nation a better nation."

We are all blessed because he walked among us.

"Lord, grant that he may have eternal rest and be forever in the radiance of Your light."●

MEG GREENFIELD ASKS, WHY ARE WE SO SHOCKED? IN THIS MORNING'S WASHINGTON POST

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. KEMP. Mr. Speaker, I have noticed the reaction from both left and right to the Soviet attack on KAL flight 007. Why, as Meg Greenfield points out in the following excellent essay in the Post, are we recurrently shocked? Did we sleep through Afghanistan? Yellow Rain? The crushing of Solidarity and the Prague Spring? Of course not, but these are individual acts in a fastpaced, tragic world that quickly recede into the background at the expense of our ability to realistically deal with the Soviet Union.

The answer to overcoming our recurrent shock is to constantly place ourselves in Soviet shoes—not by looking into a mirror—but by contemplating the structure of their system, the themes of their statements, and the domestic and international agenda

they have methodically and relentlessly pursued since 1917. We can then get over the energy-consuming business of being shocked, and get on with shaping and implementing an American global strategy that will halt and eventually turn the Soviet Leviathan. Her article is, I think, right on target both in its analysis and its recommendations.

The article follows:

[From the Washington Post, Sept. 14, 1983]

OUR SQUARE-ONE COMPLEX

(By Meg Greenfield)

What I don't understand is why, every time there is one of these terrible affairs, we have to go back to square one and start all over again. But we do. Let the Soviets down a plane or subjugate a country or exile a dissident or commit some other roughneck action we find repugnant, and it is as if we had never even heard of them before—let alone dealt with them or pondered their purposes and values or reached some kind of provisional judgment as to what they were up to and what they might be expected to do to achieve their ends. It is amazing. Whenever the roof falls in, as it periodically does, we are, as George Will lamented last week, once again "shocked."

But why are we recurrently shocked? We don't say, though that, to me, is the interesting question. Rather we begin anew—and as if we had never undertaken it before—the self-imposed task of defining and characterizing these people, the Soviet leaders and their bureaucratic and military minions. They really are ruthless, we say with an air of discovery. They are cruel. They are uncivilized and barbaric (two words, it is said, that put the Russians up the wall). They are not like us. They are perfectly awful. And so forth. It becomes, in truth, a competition and a test of the worth of the speaker: you must call them something worse than the other contestants do. By the degree of outrage you express will your own moral credentials be judged.

Some, of course, have been saying these things all along—but, unfortunately, saying little else. The I-told-you-so crowd is much better at speaking some self-evident truths about the Soviet system and those who operate it than they are at saying anything else, such as how we might reasonably and usefully deal with our antagonists. But others seem utterly and almost willfully without memory, consistency or the ability to hold a complicated thought in mind. For them it is a first-time discovery made, on average, every two years.

If a country, namely our country, could mature as a person does or, anyway, should, we would by now have the benefits of such maturity in our relationship with the Soviets. When a reasonably intelligent adult has known someone, let us say a disagreeable neighbor, for several decades, each new incident or depredation does not come to him as an absolute surprise prompting a revision of opinion and leaving the person at a loss as to what might or ought to be done by way of response. We should be able to deal with the fact of the downed Korean airliner in the context of our experience of several decades of turbulent coexistence with the Soviets, as yet another point in that continuum. It is insane that we should have relapsed anew into one of our first-principles, school-boy debates over whether their fundamental nature is evil. What does it matter? They

are who they are and they have been behaving the way they do for years, and the question is, what are we going to do about it—not how many angels (or devils) can dance on the point of a pin.

It is, of course, a moral certainty that within five weeks or so KAL Flight 007 will have gone the way of Andrei Sakharov, yellow rain and Afghanistan, onto that inaccessible topmost shelf of the national storage cabinet where we put things we don't think we'll be needing for a while. What, then, accounts for this strange behavior?

I believe there are couple of explanations. One is our collective and somewhat misplaced faith in change, our confidence in our own semimagical redemptive powers and our related acceptance of a kind of invincible Father Flanaganism: we look at everything—even a scowling Politburo, the weathered, ancient survivors of one of the meanest political systems on earth—and we say: "There is no such thing as a bad boy." We will change them, we swear, or something providential will. They will come around, just you wait and see.

It is surely true that much has changed in the Soviet Union during the decades of our conflict, and from our point of view much—though not all—of that has been change for the better. But there are limits to the possibilities. And this, we seem unwilling to accept. It is a fact that whenever a Soviet leader comes into contact with us, starting with Khrushchev's visit in 1959, you will hear it widely surmised, even by some of the hawkier among us, that once the leader gets to see what swell and productive and well-intended people we are, he will change his greatly misled mind. The entire conflict between him and us will stand exposed as an unfortunate misunderstanding.

Another part of the self-deception proceeds from laziness. There is a large population of political analysts and wishful thinkers in the United States who insist on seeing every affronting Soviet action—not just some of them—as being, in reality, our fault. They are endlessly inventive in finding reasons that the Soviets were goaded by us into doing whatever they did. This, I persist in believing, is because it is so much easier and less exacting a job to change our own behavior (or government) than it is to change either of theirs.

Behind both these habits of mind—the belief in drastic change and the disposition to blame ourselves—lies a common and, I think, disastrous assumption. It is that the Soviets and their system must be "good" in order for us to be justified in dealing with them. The implication of those who see themselves vindicated by the brutal downing of the plane—those who are saying, "We told you they were evil"—is that the Soviet leaders aren't fit to discourse or bargain with, that they can somehow (never mind the SS18s) be made to go away.

"Oh, no," comes the rejoinder—or it will in a few weeks' time. "They are not nearly the brutes you say they are. They are understandably alarmed by our warlike leaders. They are, in fact, just like us, only we insist on a cold warrior's view of the evils of communism . . ." and so on. Here, too, it is assumed that the moral character of the Soviet leaders is relevant to whether or not we should deal with them.

Well, it isn't. Like Mount Everest, the Russians are there. And like Mount Everest, their features are not exactly a mystery. We need to stop gasping and sighing and exclaiming and nearly dying of shock every time something truly disagreeable happens.

We have to grow up and confront them—as they are. ●

TRIBUTE TO MORRIS Y. ANGEL

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. BERMAN. Mr. Speaker, I would like to take this opportunity to commend Morris Y. Angel, the recipient of the Sephardic Man of the Year Award from the Sephardic Hebrew Center in Los Angeles.

Morris Angel is one of the handful of unique individuals who have given freely of their time, energy, and talents to contribute to the success of the Sephardic Hebrew Center. He is a past president of the temple, and has served as chairman of many key committees, such as the scholarship fund and the Fondo Secreto (Aid to the Needy). He is currently a member of the center's board of directors. In addition, he serves on the boards of the American Sephardic Federation, the Sephardic Hebrew Academy, and the Sephardic Educational Center—Jerusalem. Morris Angel is clearly deserving of recognition for his work on behalf of his temple, its members, and his community.

Mr. Speaker, Morris Angel will be honored at a testimonial dinner to be held on Tuesday, October 11. I would like to extend my personal congratulations to him on the receipt of this honor, and wish him the best of luck in the future. ●

ROBERT WEINTRAUB

HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. LEWIS of California. Mr. Speaker, it was with great sadness and a deep sense of loss that I learned of the death of Robert Weintraub, senior economist of the Joint Economic Committee. Bob Weintraub was an economist of high principles and integrity who maintained his analytically derived positions even when they became politically controversial. He was not one to bend his analysis to the political environment in which he worked.

Bob also had a very big heart which made him much concerned about people, about how Government policies affected the poor among us. To me his uniqueness stemmed from his eloquent ability to demonstrate how what some have called "cold-hearted economics" actually impacted on people. His penetrating logic revealed that the conventional wisdom regarding the effects of Government economic policies was often in error.

I had the privilege of becoming well acquainted with Bob Weintraub during congressional consideration of additional funding for the International Monetary Fund. I was most impressed to discover that of all the articles and speeches on the IMF, one of the most cogent of them all "International Debt: Crisis and Challenge" was written by a congressional staff member Bob Weintraub.

Dr. Weintraub served 4 years in the U.S. Marines in World War II. He received his doctorate in economics from the University of Chicago in 1954 and was on the faculties of Northwestern University and the City University at New York before being appointed professor of economics at the University of California at Santa Barbara in 1965.

Between 1974 and 1980, Dr. Weintraub served on the staffs of the House and Senate Banking Committees and, for 1 year, as Director of the Office of Capital Markets Policy, U.S. Treasury. He joined the Joint Economic Committee staff in 1981.

The passing of Bob Weintraub leaves a vacuum in the economics community and in Congress which will be difficult to fill. ●

LOCAL TELEPHONE RATES

HON. AL SWIFT

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. SWIFT. Mr. Speaker, the distinguished gentleman from Michigan, JOHN D. DINGELL, chairman of the Committee on Energy and Commerce, wrote an excellent article published in the Washington Post on Thursday, August 11, 1983, which I would like to bring to my colleagues attention.

The column was written in response to a Post editorial published on Sunday, July 31, 1983. Chairman DINGELL's column states clearly the real issues raised by the Federal Communication Commission's access charge decision—whether the costs of the local telephone network will be shared fairly by all who use it and benefit from it.

I share the chairman's concerns that, if Congress fails to overturn the FCC's decision, local phone rates will rise more than they have to and many people will no longer be able to afford basic phone service. This is an excellent article and I commend it to my colleagues' attention.

[From the Washington Post, Thursday, Aug. 11, 1983]

YOUR LONG-DISTANCE BILL
(John D. Dingell)

In a July 31 editorial, the Post defends the Federal Communications Commission's recent access charge decision as a step toward "bringing the price of local service up to full cost." This is a misunderstanding

that incorrectly defines the issue. The real issue is whether long-distance and other companies that benefit from local telephone facilities will pay their fair share of the cost of those facilities. Under the FCC decision, the entire cost will be borne by local subscribers, and it is AT&T, ITT, MCI and others that will be subsidized.

The decision shifts billions of dollars of costs associated with the copper wires, telephone poles and drop lines that are used for both long-distance and local service from long-distance companies to local customers. Some believe that the long-distance share of these costs is too high. Others disagree, and cite studies such as the one just completed for the Kansas Public Utility Commission concluding that local telephone companies are undercompensated for investments they have made to upgrade the local network for long-distance service.

But no one, until now, has questioned the principle that both local and long-distance uses of local equipment should share the cost of jointly used plant. The FCC, however, in a radical reversal of telephone industry pricing philosophy, decided that long-distance companies should pay nothing at all for the use of this local equipment.

The FCC claims that if long-distance companies do not have to pay anything for access to local facilities, they will be dissuaded from bypassing local companies and building their own facilities directly to large customers. However, placing all costs on local consumers and thereby increasing the price of local service will simply encourage a different kind of bypass—by cable companies, for instance. The FCC did not remove the incentive to bypass, it merely shifted the incentive to another point in the system—to the detriment of rate-payers and consumers.

A more effective response to the potential bypass would require all users and providers of telecommunications services who benefit from the public telephone network to pay a fair share of the costs of maintaining that network. By treating all competitors, including bypassers, in a similar fashion, this approach would be neutral. A small fee on each contributor would reduce the overall incentive to bypass.

The Post characterizes the congressional reaction to this decision as "the usual shrieks of protest." However, U.S. District Court Judge Harold Greene, the widely respected jurist who is overseeing the AT&T divestiture cannot be so easily dismissed. He has charged that the FCC's unprecedented reshuffling of costs "unnecessarily jeopardizes" the national goal of universal service. Unfortunately, he admits, "the court has no authority to countermand these decisions."

The Post's editorial also disregards the threat to universal service posed by the 26 pending rate increases, totaling \$7 billion. All but two of these increases relate in part to recent FCC decisions and divestiture, and some would result in at least a doubling of basic monthly customer charges. State regulators expect another 22 rate increases to be filed within the year.

In another recent decision, the FCC has stripped states of the power to set depreciation rates for local telephone plant and equipment. Without control over this key element of local rates, state regulators may be unable to maintain affordable telephone service.

Some increase in local rates will take place no matter what Congress does. But Congress can and must act to mitigate rate increases, to rein in federal policy-makers who

have been guilty of regulatory overkill, and to preserve the universal service goal of the 1934 Communications Act, which mandated policies that would "make available, so far as possible, to all the people of the United States a rapid, efficient, nationwide and worldwide wire and radio communications service with adequate facilities at reasonable charges . . ."

Rep. Tim Wirth and I have introduced the Universal Telephone Service Preservation Act (H.R. 3621), which would:

Overturn the FCC's access charge decision;

Create a more equitable system of access charges;

Establish a Universal Service Fund to provide financial support for high-cost service areas;

Ensure that state regulatory commissions have sufficient authority to maintain affordable telephone service;

Require state regulators to offer discount rates for low-income subscribers.

Long-distance companies and other special interest groups that do not want to pay their fair share of telephone network costs have already mounted a media and congressional campaign to defeat this legislation. They will try to focus exclusively on subsidies for poor people. However, universal telephone service is not a welfare scheme to be provided through telephone stamps. A universally available telephone network is a vitally important component of our economic infrastructure from which all benefit, rich and poor alike.

The subsidy issue is a smokescreen. The real issue is a fair apportionment of the costs of preserving our universal telephone network.●

CWA MEMBERS RESPOND TO CRISIS

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. KOSTMAYER. Mr. Speaker, during the August recess the Nation watched in grief as Hurricane Alicia struck in the Gulf of Mexico and caused extensive damage, particularly in Houston, Galveston, and surrounding areas in Texas.

I wanted to bring to the attention of my colleagues, Mr. Speaker, the fact that although they were in the midst of a nationwide strike when the hurricane hit, members of the Communication Workers of America (CWA) reported back to work to restore needed service to devastated areas so that medical, fire, and police services could respond effectively to this crisis. CWA President Glenn Watts on August 17 alerted the over 11,000 Bell System employees in the Houston District 12 area to be prepared to return to work without pay should disaster strike, and when it did, CWA employees went to work restoring service to some 280,000 telephones knocked out by the storm. This effort had a substantial effect in aiding emergency rescue efforts.

I commend the way these CWA members responded to the emergency

needs of their communities, and ask my colleagues to join me in recognizing their efforts.●

CONTROL THE ARMS RACE

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. DASCHLE. Mr. Speaker, in the last few weeks, all of us here and throughout the Nation have been appalled and disgusted by the action of the Soviet Union in destroying 269 innocent lives aboard Korean Air Lines Flight 007. In our justifiable rage, there have been several understandable calls for a breakoff of all discussions with the Soviet Union, in particular our ongoing discussions on nuclear arms control. As understandable as these reactions are, given the unspeakable barbarity of the Soviet action, I am glad that President Reagan has assumed a responsible position and, while portraying very clearly our outrage, has not broken off these discussions.

That the destruction of these 269 lives is a tragedy is no doubt. An even greater tragedy, however, would occur if we let the passions of the moment disrupt our attempts to bring under control an arms race which has the potential for destroying not 269 lives, but, conceivably, this planet's entire population.

It is in this regard that I was particularly impressed by David Broder's column in the Washington Post of September 8. In that column, Mr. Broder published a 1956 letter written by President Eisenhower which, 27 years ago, prophetically discussed the position we find ourselves in today. In that letter, President Eisenhower said that "when we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die."

We are at that point today, and that is why I am supportive of the measured response made by the President in reaction to the KAL 007 tragedy. The fight to control the arms race madness by mutual, verifiable arms control agreements must continue to be waged, and waged just as fiercely as any battle in our previous history.

The Broder column follows:

[From the Washington Post, Sept. 8, 1983]
IKE ON 'MAN AGAINST WAR'
 (David S. Broder)

Something has come into my hands that I think is worth sharing. Prof. Fred I. Greenstein of Princeton, author of "The Hidden Hand Presidency," a study of President Eisenhower, has called my attention to a letter Eisenhower wrote 27 years ago which he says has never been published in full.

With the permission of the president's son, retired Gen. John S. D. Eisenhower, I am giving it circulation through this column. I think it is as important a statement on nuclear war as I have ever read.

Richard L. Simon, president of the publishing firm of Simon & Schuster had written Eisenhower on March 28, 1956, calling attention to a column by Joseph and Stewart Alsop on the Soviet military threat, and urging "that a crash program for long-range airpower and missiles" be given the highest priority, as they recommended.

This is the Eisenhower reply of April 4, 1956:

"Dear Dick:

"Thank you for your letter, which brings up subjects to vast to be discussed adequately in a letter. Suffice it to say here that I doubt that any columnist—and here I depend upon hearsay as I have no time to read them—is concerning himself with what is the true security problem of the day. That problem is not merely man against man or nation against nation. It is man against war.

"I have spent my life in the study of military strength as a deterrent to war, and in the character of military armaments necessary to win a war. The study of the first of these questions is still profitable, but we are rapidly getting to the point that no war can be won. War implies a contest; when you get to the point that contest is no longer involved and the outlook comes close to destruction of the enemy and suicide for ourselves—an outlook that neither side can ignore—then arguments as to the exact amount of available strength as compared to somebody else's are no longer the vital issues.

"When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die.

"The fullness of this potentiality has not yet been attained, and I do not, by any means, decry the need for strength. That strength must be spiritual, economic and military. All three are important and they are not mutually exclusive. They are all part of and the product of the American genius, the American will.

"But already we have come to the point where safety cannot be assumed by arms alone. But I repeat that their usefulness becomes concentrated more and more in their characteristics as deterrents than in instruments with which to obtain victory over opponents as in 1945. In this regard, today we are further separated from the end of World War II than the beginning of the century was separated from the beginning of the sixteenth century.

"Naturally, I am not taking the time here to discuss the usefulness of available military strength in putting out prairie fires—spots where American interests are seriously

jeopardized by unjustified outbreaks of minor wars. I have contented myself with a few observations on the implications of a major arms race.

"Finally, I do not believe that I shall ever have to defend myself against the charge that I am indifferent to the fate of my countrymen, and I assure you that there are experts, technicians, philosophers and advisers here, who give far more intelligent attention to these matters than do the Alsops.

"With warm regard, sincerely, Dwight D. Eisenhower."

The letter was marked "personal and confidential." But if ever there was a message that echoes across the decades to our own time, it is this one.

In eight short paragraphs, the remarkable man who led the Allied armies to victory over Hitler and served the nation as its last two-term president, distilled a lifetime of wisdom.

There is one sentence which deserves to be carved in stone, or better, imprinted on the mind of anyone who occupies the Oval Office. Just read it slowly—clause by clause—and think about it:

"When we get to the point, as we one day will, that both sides know that in any outbreak of general hostilities, regardless of the element of surprise, destruction will be both reciprocal and complete, possibly we will have sense enough to meet at the conference table with the understanding that the era of armaments has ended and the human race must conform its actions to this truth or die."●

PERSONAL EXPLANATION

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. CAMPBELL. Mr. Speaker, I was unavoidably absent for today's vote on House Joint Resolution 353 on account of an unexpected personal medical emergency which necessitated hospital care. I strongly support this resolution condemning the Soviet criminal destruction of the Korean civilian airliner and, had I been present, I would have voted "yea."●

PARTING CHEERS FROM A PRESIDENTIAL SPEECHWRITER

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mrs. SCHROEDER. Mr. Speaker, the latest issue of the National Review, which arrived on the newsstands in early September, contains an essay by President Ronald Reagan's former Deputy Assistant and chief speechwriter, Aram Bakshian, Jr., entitled "Two Cheers for Rape."

Mr. Bakshian, who left the White House September 1, reviewed a book on romantic fiction by Helen Hazen. Among other things, Mr. Bakshian states the following:

Rape, especially, seems to strike a deep, instinctive chord in millions of female readers, a cherished fantasy. . . .

. . . I suspect that those of us willing to slog through seas of treacle could pick up a few handy tactical hints.

All this and more, written, thank God, by a woman, who says things I have long suspected but would never have dared publish. . . . applicants may write in care of this publication.

This is bizarre, pathetic drivel. No one would pay it the slightest attention, except that Mr. Bakshian was, until a few days ago, Mr. Reagan's chief speechwriter.

Next, shall we hear "Two Cheers for Child Abuse"? "Two Cheers for Murder"? "Two Cheers for Nuclear War"?

TWO CHEERS FOR RAPE

(By Aram Bakshian, Jr.)

Helen Hazen had better watch out. At this very moment she is probably being targeted for destruction (literary if not physical) by that latter-day monstrous regiment of women, the extreme feminists. No doubt she has also distressed a lot of wimpish Alan Alda clones as well, but their bite is likely to be as feeble as their bark. What has Miss Hazen done to incur the wrath of the harri-dans? She has written a funny, insightful, slightly disconnected, but mostly sensible little book about the question Sigmund Freud asked but could not answer: What do women want?

One thing they seem to want, and certainly consume voraciously, is the subject of much of her book, that turgid, slushy variety of light reading known as romantic fiction. Anyone who has had to machete his way through shelves of the stuff at a bookshop, or who has observed what even the best and brightest of the female office help tend to read at lunch, is no stranger to the phenomenon.

We're dealing here not just with the syrupy costume romances of Georgette Heyer and Barbara Cartland, which seldom go much further than a kiss or a pinch (Sister Cartland once described her ideal of the erotic male figure as being "fully clothed and preferably in uniform"), but with the new wave of rawer romantic fiction that is based on real seduction, abduction, degradation, and outright rape. Rape, especially, seems to strike a deep, instinctive chord in millions of female readers, a cherished fantasy that is not confined to air-headed bits of fluff or frustrated dowds. To these millions of women, who vastly outnumber the readers of feminist novels and tracts, fictive rape, according to Miss Hazen, is a key part of "the woman's world of illusion," a "ritual of love that exists in fantasy":

A man says to a woman that she is so desirable that he will defy all the rules of honor and decency in order to have her. I would like to be raped, but I want it to happen to me exactly as it happened to Cressida in *Vice Avenged*. I want a marquis to come to my second-story window at night with a ladder. The house should be a country mansion. I will be asleep. He will put on a mask and stuff a handkerchief in my mouth. He will carry me down the ladder; and onto his horse. I will be dreadfully frightened and in my fear will only cling to him more tightly since his strength is my one antidote to that fear. We will travel

across the moors to the hollow he has marked out. He will carry me to the bed of bearskin rugs and furs he has spread . . .

And, of course, there will be a romantic rape—a scary yet somehow cozy sort of rape that bears little resemblance to the real crime, committed in a real setting by a real rapist.

Whatever the reason, this sells like hotcakes to the ladies, most men ignore it, although I suspect that those of us willing to slog through seas of treacle could pick up a few handy tactical tips.

As Miss Hazen points out:

Today's publishing industry relies heavily on novels of romance. The purchases are all made by women, for romance novels are the only literary genre that does not attract both sexes, an interesting fact, since it hints that the rituals of love that are reaffirmed in both every romance and every reader's heart are peculiar only to women, that the mystery of the female is—all protestations aside—really not too fascinating to men.

Here is a yawning gender gap indeed—a literary genre that puts men to sleep, arouses many women, and enrages feminists. Even a harmless old she-hack like Barbara Cartland becomes, in the reddened eyes of Germaine Greer, a sinister menace, a barrier to be removed if "women's liberation movements are to accomplish anything at all."

Why is it that romantic fiction is so widely—and exclusively—popular with women, and so loathed by feminists? As to the appeal, Miss Hazen has a simple and, I believe, rather sensible explanation:

One just cannot get around the truth that romance is more important to women than to men . . . With apologies for stating the obvious, I must say that it is the primary purpose of all animals to perpetuate themselves and it is the responsibility of the female to see to it that the job get done. Every cell in her body is attuned to this charge, and, as with all the truly big things in her life—birth, growing up, death, . . . —intelligent beings have a need to ritualize the impulses that their cells, nerve endings, and hormones, so disturbingly thrust upon them. The ritual merely lends grace to the task and disguises the enormity of its truth . . . To discredit the ritual is to deny the truth.

The feminist loathing for romantic fiction, Miss Hazen says, is a reflection of basic feminist anger. That feminists so often "deal out hatred is only to be expected. If the tie that binds one group of people to another is economic, any revolt will be aimed at the economic structure. The basic tie that binds women and men is love, and, regardless of all the other arguments that quicken the feminist cause, it is love, or the fundamental tie between men and women, that is under attack"; and she proceeds with a devastating analysis of the Adam-ribbing, naggingly aggrieved nature of most feminist fiction.

All this and more, written, thank God, by a woman, who says things I have long suspected but would never have dared publish. Sane members of both sexes owe Helen Hazen a debt of gratitude for bringing nature and common sense to bear on romantic sexuality at a time when the field was in danger of being overrun by neurotics in rebellion against their glands and consulting engineers who would reduce the whole thing to parts inventories and better living through chemistry.

On a more personal note, I was heartened to discover that the hero-seducers in Miss

Hazen's favorite form of fiction generally have grey eyes and sneer a lot. The revelation has come to me rather late in life, but this means that I may have what it takes after all. Thank you, Miss Hazen, and applicants may write in care of this periodical.●

SUPPORT FUNDING FOR THE LABOR MANAGEMENT COOPERATION ACT

HON. STAN LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. LUNDINE. Mr. Speaker, a great deal is being said today about the need to encourage more cooperative relations between labor and management to help improve productivity and stimulate economic growth. Some very impressive efforts have been underway in various areas of our country at the local level to turn the historically adversarial system of labor-management relations into a positive, cooperative one. But, a great deal more needs to be done.

Third party support is often crucial at the initial stages of a cooperative labor-management effort to help establish trust between the parties. In the beginning, a neutral source of financial support and expert technical assistance are key to dissuading any suspicion by either labor or management that the effort might be dominated by one interest or the other.

The only source of neutral outside funding for local labor-management efforts has been provided through the Federal Mediation and Conciliation Service under the Labor Management Cooperation Act of 1978. Unfortunately, since its enactment, funding for this program has never gone beyond a peak of \$1.2 million in 1981. For the last 2 fiscal years, President Reagan has requested termination of the program. The program has, however, been kept just barely alive by a congressional appropriation in these years of \$500,000.

Once again, for fiscal year 1984, President Reagan has requested termination of this valuable program. In the next few weeks, Congress must make a judgment about the appropriate funding level for the upcoming fiscal year. With this in mind, I would like to commend to your reading an article which recently appeared in the July 25 issue of *Industry Week*, which points out the difference a small amount of neutral "seed" money can make to a cooperative labor-management initiative.

A "DIAMOND" OF A PRODUCTIVITY IDEA—EMPLOYEE ATTITUDES TURN FULL CIRCLE IN LESS THAN 3 YEARS

Productivity up 18.7%. Absenteeism down 30%; grievances off 55%, and disciplinary actions 48% lower. Add 200 fewer lost-time days per year and 40% fewer quality-related

mistakes, and you have enough numbers to make most managers drool.

But these are the documented savings from only one of the four plants—the molded pulp egg carton plant in Palmer, Mass.—of Diamond International Corp.

Who gets the applause? Diamond, to be sure, must get most of it. It laid the groundwork for these gains with its two-and-a-half-year-old 100 Club employee recognition program that awards employees with points for achieving various objectives. But the Federal Mediation & Conciliation Service (FMCS) in Washington should get a hand, too. Its grant money enabled Diamond to extend the program to three of its other plants.

The assessment of Club 100's success at Diamond's other plants isn't complete yet, but Diamond officials believe that the results at Palmer are indicative of the improved labor-management relationship at all four plants.

For example, in 1980, 65% of the employees at Palmer said that they were not treated respectfully by management and 79% felt they were not rewarded for a job well-done. A similar survey this year showed markedly different results: This time 77% felt that they were being rewarded for a job well-done and that the company was concerned for them as persons.

Indirect rewards. Surprisingly, the 100 club is not a gain-sharing program in which employees reap the financial rewards of any cost savings or increases in productivity that they generate. But, as Daniel C. Boyle, Diamond's personnel director, points out, employees indirectly benefit. The more than \$1 million in additional revenues generated at Palmer since the introduction of the 100 Club have been plowed back into capital improvements. Also, jobs have been saved that might have otherwise gone under, he maintains.

Despite documented successes like Diamond's, the FMCS government program has had difficulty gaining support. Its funding level slipped from \$1.2 million in 1981 (its first year) to only \$500,000 this year. And the President doesn't have it in his 1984 budget.

And Mr. Boyle, for one, thinks jettisoning the program would be a mistake. "I can't understand why we're unwilling to commit more money to improving labor-management relationships," he laments. "It is primarily through this cooperation that the economy will be turned around and productivity increased."●

IS CENTRAL AMERICA "ANOTHER VIETNAM"?

HON. STEPHEN L. NEAL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. NEAL. Mr. Speaker, when back home in my congressional district recently, I was asked over and over again—at town meetings and elsewhere—whether, in Central America, we are getting ourselves involved in "another Vietnam." The answer to that complex question does not appear to me to be a simple one. There are many similarities and many differences in the two situations.

One person, a journalist, told me he had been rereading "The Pentagon Papers" and was struck by the similarities between statements made then by our Government to justify our early involvement in Vietnam and statements now being made by the Reagan administration concerning Central America. It was also recommended to me by a former Ambassador to Vietnam that I read an article from the New York Times of Sunday, August 21, 1983, entitled "Some Applied History for Central America." I found the article, which comprised several points of view, to be most useful and commend it to my colleagues.

I believe the proper policy for us to pursue in Central America would be to make it clear that we will not tolerate Soviet or Cuban arms or military presence there. We should back up this stated purpose with overt aid as suggested in the Boland amendment passed by this House and support the Contadora group's effort to engineer a negotiated settlement.

This is quite different from the policy of the Reagan administration, which would overthrow the Nicaraguan Government by covert action, and which seeks a military solution to problems which have their origin in poverty and gross violation, by military dictators, of the most basic of human and civil rights.

At this time, Mr. Speaker, I would like to include in the RECORD the New York Times article:

[From the New York Times, Aug. 21, 1983]
SOME APPLIED HISTORY FOR CENTRAL AMERICA

President Reagan apparently didn't like everything he heard last weekend in Mexico. Without specifying the American warships and troops sent to Central America, his host, President Miguel de la Madrid Hurtado, warned against "shows of force which threaten to touch off a conflagration." Replied Secretary of State George P. Shultz, "The problem in Central America is not the show of force, it is the use of force." President Reagan insisted "hype and hoopla" were distorting news coverage of his Central American policies. Addressing Veterans of Foreign Wars, he said, "You wouldn't know from some of the coverage that the greatest portion of our aid is humanitarian and economic."

Some listeners were reminded of complaints about coverage during the Vietnam War—a period that has come in for close study by critics and defenders of present policies. The Week in Review asked six officials who advised President John F. Kennedy during the formative stages of that American involvement whether there are lessons from Vietnam that apply today in Central America. Their comments follow.

WILLIAM F. BUNDY

(Deputy Assistant Secretary of Defense, 1961-63; Assistant Secretary of State, 1964-69; editor of Foreign Affairs magazine)

If there is one overriding lesson of Vietnam, it is that an Administration must level with Congress and the American people, accepting the burdens of a great debate in

which objectives and strategy are clarified, with their costs and implications, and submitted for a clear vote of approval or rejection.

The Administration is apparently equating the role of Nicaragua (with Cuba and the Soviet Union behind it) to North Vietnam (backed by China). It is dubious parallel still lacking in strong evidence, which has put the Administration in the position of backing a massive "covert" operation while denying any intent to change the Sandinista regime. Threats and military maneuvers the Administration does not mean—or have public support—to back by outright force can turn into called bluffs. Or they can create incidents that could tear apart the American public, not to mention the key regional countries and our allies elsewhere.

A deeper issue is the wisdom of the Administration's confused thrust in a regional setting totally different from Vietnam. There, we had the support of virtually all non-Communist nations in East Asia, who saw the conflict as basically aggression from the North, a view subsequent events have confirmed. Also, the legacy of French colonialism was a major, and underestimated, obstacle. But in Central America we have to deal with the legacy of our own past colonialism—as the area sees it. Key regional countries and the younger generation throughout Latin America see the struggle as primarily due, not just to desperate social and economic conditions, but to Washington's past armed interventions and support for right-wing decadent dictatorships.

In Central America, we confront neither a strong North Vietnamese army nor a threat of a big power intervention (from China then). We can have our way if we choose, but renewed colonialism—again as the area sees it—simply will not work in the long run. The price of our past record may indeed include accepting an unpalatable extreme left regime for a period of time; it need not include hostile military bases—these we can readily deal with if they ever emerge. And our clear national interest in the Panama Canal depends ultimately on working with Panama and its neighbors and not being perceived as alien gringos. While the area understands our present support for the El Salvador Government, attempts to scotch revolutions by United States action could end by turning a new generation of Latin American leaders wholly against the United States. Nothing truly at stake in Central America warrants that risk or the risk that Central America may distract us from the far graver economic and political problems that could be spawned by the current Latin American debt crisis.

The advice of regional nations is plainly to negotiate in a visibly serious fashion. In this respect as well, El Salvador is clearly not Vietnam. As one who tried for years to find an acceptable formula for a compromise political settlement in Vietnam, I am convinced no such formula was possible in the face of a monolithic North Vietnam totally in control (as events have now proved) of the Viet Cong in the South and dedicated to ultimate total political control. By no stretch of the imagination is the present opposition in Salvador, even with whatever external ties and influences it may have, a like case. It is not monolithic, it clearly contains elements that might fit into a democratic picture and it is infinitely weaker. This is neither Vietnam nor postwar Central Europe, and a compromise political settlement is conceivable.

U. ALEXIS JOHNSON

(Deputy Under Secretary of State, 1961-64; DEPUTY AMBASSADOR TO VIETNAM, 1964-65)

It is dangerous and misleading to look for comparisons between the experience of the Kennedy and subsequent Administrations in Vietnam with the situation in El Salvador. When, in Vietnam, we helped the Government frustrate the North's guerrillas, the North turned to its powerful and jungle-warfare-experienced regular forces to subject the South (and Cambodia and Laos). No comparable outside force exists in El Salvador and none of its neighbors is in a position to carry out such a role. It might be more instructive to recall our help to Greece in defeating guerrillas supported by outsiders in 1947-49, or the British success in Malaya, 1948 to 1960. These successes were achieved by political, economic and internal security measures adapted to the local situation. Obviously this is required in El Salvador.

One people cannot prescribe political or economic formulae for another people and culture—least of all by public lectures or legislative fiat. Reforms can only be accomplished by sympathetic private dialogue in which each learns from the other. The essence of effective government is the consent of the governed. Installing institutions modeled on another culture and background does not assure that consent.

Change for the sake of change is usually unwise. This was vividly demonstrated to President Kennedy, when with American acquiescence if not encouragement, and stimulated by sensational media reporting from Saigon, Ngo Dinh Diem was deposed—with virtually no concept of who and what would replace him.

American combat troops were not deployed in Vietnam until the spring of 1965, when regular North Vietnamese forces had already entered the country. I have always speculated on whether the results would have been different if, in the early stages in 1960—instead of deploying combat troops—we had devoted to the development and support of South Vietnamese forces at least some portion of the scale of effort that eventually went to our own forces and "Vietnamization." It always seems simpler and easier to use Americans than to enter into the "nitty-gritty" of developing local capabilities.

With the Soviet Union sending at least 10 times as much per capita in Cuba as we are in El Salvador, I wonder if our friends and adversaries feel our intentions are serious. I hope we can demonstrate that they are.

THEODORE C. SORENSON

(Special Counsel to President Kennedy; partner in law firm Paul, Weiss, Rifkin, Wharton & Garrison)

The Salvadoran revolution, in its geographical, historical, political and military relationships with Washington and Moscow, bears scant resemblance to the conflict that smoldered in Indochina during the Kennedy Presidency. There are, nevertheless, lessons the Reagan Administration should consider before its risky course in Central American becomes irreversible.

First, a Government in El Salvador that rejects, like the Diem regime in South Vietnam, the military, land, legal, political and other reforms required to win the confidence of its own countryside cannot be indefinitely maintained against guerrillas whose fires are fueled by governmental misconduct.

As J.F.K. learned in Vietnam, each incremental increase in American military advisers and assistance, every escalation in rhetoric about "dominoes" or "national interest", makes it harder for us to reverse course and thus easier for the "client government" to resist our recommendations for reform. It also stimulates the flow of military assistance to the guerrillas and, not incidentally, increases their supply of captured or abandoned American weapons. It was in this context that Kennedy, whatever his other errors, never accepted strong and repeated recommendations to deploy U.S. combat units to fight in South Vietnam and bomb North Vietnam.

Second, elections in which only one side dares to participate will legitimize neither the Salvadoran Government nor American support for it. South Vietnam had several such elections. They did not persuade our principal allies (or Kennedy himself), bring a halt to the Saigon Government's mistreatment of Buddhists and other human rights violations, or diminish Diem's vulnerability to local fears he was becoming more American puppet than nationalist leader.

Third, if the U.S. show of force in El Salvador obtains not a Government victory but a cease-fire and a negotiated political solution, however imperfect, that is sufficient. That was Kennedy's course of action in Laos. He was bitterly criticized for pursuing a "no-win" policy and for sending Americans to participate in negotiations with the Communist Pathet Lao, Hanoi and Peking.

His permitting the Pathet Lao to participate in a neutral and independent coalition Government (that later unsurprisingly failed to survive Hanoi's victory in neighboring Vietnam) sounds much like allowing the Salvadoran rebels to "shoot their way" into a share of power. But, as J.F.K. said, "Experience has taught us that no one nation . . . can solve all the problems of the world or manage its revolutionary tides. . . . Extending our commitments does not always increase our security."

Lyndon Johnson and Richard Nixon tried a different course in Indochina. The result is symbolized by the Soviet naval bases built by the United States at Camranh Bay and Danang. If we are to avoid both war in Central America and its domination by pro-Soviet elements, let us hope that Ronald Reagan reads history.

LIEUT. GEN. VICTOR H. KRULAK

(U.S. Marine Corps; special assistant Joint Chiefs of Staff, 1962-64; columnist Copley News Service)

Analogies between Vietnam and our Central American situation spring up like asparagus. We are bound to give them sober attention lest we make the same mistakes twice. First, subversive insurgency is pretty much the same wherever you find it. Bred in an atmosphere of hunger, sickness, poverty and inadequate government concern, it is nourished by coordinated agitation. The agitators' puppet strings go back to Moscow. In this case, Cuba and particularly Nicaragua are the prime intermediaries. Second, the privileged sanctuary confers great advantages on the antagonist who has it. In the Vietnam war, Laos and North Vietnam provided sanctuary. In our fear of irritating the Soviet Union, we stood by and watched a flood of warlike things pass through North Vietnam's port, Haiphong. Once lost in the hinterland, the munitions were difficult to find and destroy. As a result, in the 1968 Tet offensive, the North Vietnamese were able to emplace heavy artillery within range of Saigon and every provincial capital. More

than anything else, our unwillingness to face up to the privileged sanctuary cost the free world the Vietnam War.

The analogy with Central America is perfect. The Nicaraguan port of Corinto is Haiphong, whence the munitions find their way to El Salvador through Honduras. In North Vietnam, we belatedly took away the privileged sanctuary by mining Haiphong. In Nicaragua, we can help to take it away by openly supporting the freedom fighters who want to see the Sandinistas replaced by a freely chosen democratic government.

Another analogy is gradualism. In Vietnam, we lost 58,000 lives and untold treasure because we tried to inch our way toward a solution instead of providing South Vietnam with all needed support at the outset. For example, we authorized delivery of aircraft to the South Vietnamese—but not jet aircraft.

We must not repeat the error of gradualism. The Administration asked Congress for \$110 million for El Salvador and Congress cut it in half (\$55 million)—far less than the value of the 11 shiploads of Soviet material delivered to Nicaragua in the first seven months of this year.

Finally, it is an error ever to do the actual fighting for your small friend under attack by insurgent forces. Train him, supply him, arm him, educate him, sustain him, but let him do his own fighting. We erred in Vietnam—we took over a large part of the battle. In Central America, happily, we have so far avoided that pitfall.

GEN. MAXWELL TAYLOR

(President's military representative, 1961-62; Chairman Joint Chiefs of Staff, 1962-64)

Laying aside Vietnam, which can be made to prove or disprove just about anything, there is a major lesson to be learned from the Kennedy Administration experiences, with possible application to our policy in Central America. It derives from the blended experience in the Bay of Pigs fiasco and the highly successful Cuba missile crisis. Both episodes were carried out by the same President, supported by essentially the same advisers. The success and the failure resulted largely because of our having adhered to or ignored one precept:

Before committing the United States to an important and risky foreign policy action, be sure you know your goal and are determined to pay the price of achieving it.

In the Bay of Pigs, the Kennedy team never had a clear understanding of the purpose of the Cuban brigade that was landed on Cuban soil. Was it to drive inland and try to incite a popular uprising? To join insurgents in the nearby mountains? And what would the brigade do if it were boxed in its beachhead by Castro's troops? Such questions were never raised before the Government was committed to this risky undertaking. Furthermore, there was less determination to succeed than to avoid involving U.S. forces in the landing.

The Cuban missile crisis was quite different. From the moment President Kennedy and his advisers saw the aerial photography showing Soviet ballistic missiles being emplaced, the objective was clear—to get the missiles out of Cuba by whatever means necessary. There was no doubt about the determination to succeed.

What can the Reagan Administration learn from this? The President could certainly profit by restating his policy objectives in simpler terms than has been the case thus far. As for determination to pay the price to achieve these objectives, the President has shown no lack of it. Congress,

however, has been niggardly in appropriating funds and quick to impose operational restrictions on our personnel in Central America, thus recalling the spirit of the Bay of Pigs.

ROGER HILLSMAN

(State Department Director of Intelligence, 1961-63; professor, Columbia University)

Both the Kennedy and Johnson Administrations were deeply divided about the nature of the struggle in Vietnam. One group saw it as part of global Communist expansionism. Although conceding that purely Vietnamese issues were also at work, they insisted the Viet Cong was ultimately inspired by Moscow and Peking, which would profit by a Communist victory strategically, economically and politically. It followed that such an aggression could be met only by military force.

The rival view agreed the insurgency was led by bona fide Communists, with full support from Moscow and Peking. But they argued, the insurgency was more accurately described as an anticommunist and essentially nationalistic movement, feeding on social discontent in the South, such as the need for land reform, and whose leaders just happened to be Communist Party members. A Communist Vietnam, they conceded, would be troublesome politically to American interests in Southeast Asia, but the economic implications were minuscule. And not only was Vietnam of little intrinsic importance strategically but, they argued, Hanoi's demonstrated determination to remain independent of Moscow and Peking was ample assurance neither could turn Vietnam into a military base.

Since the insurgency was a nationalist, anticommunist movement, they concluded, sending foreign troops would be self-defeating. Foreign troops would recruit more peasants for the Viet Cong than they could possibly kill. As President Kennedy said, "In the final analysis, it is their war."

The Vietnam experience might at least lead us to ask the right questions about places like Central America: What is the essential nature of the insurgencies? Are they essentially the creatures of "world Communism" or are they nationalistic, anti-oligarchy, peasant revolts, feeding on social discontent, whose leaders just happen to be Communist Party members? As for strategic implications, would a Communist victory in a Central American country give Moscow a vital military base or has the new missile technology rendered such bases obsolete? Even if it has not, did not the 1962 Cuban missile crisis discourage Moscow from trying that kind of move again? And finally, does the long history of resentment of "economic imperialism" by the "Colossus of the North" and its alliance with Latin American oligarchs mean that, as in Vietnam, American troops would end up recruiting more Communists than they could kill?●

A MAN OF PEACE

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. EDGAR. Mr. Speaker, only minutes after his return to Manila on August 21, former Philippine Senator Benigno Aquino, Jr., was assassinated.

Senator Aquino, a respected and popular leader of the Philippine opposition to President Ferdinand Marcos, had lived in the United States for the past 3 years.

As the controversy surrounding his murder continues, and we reconsider our position regarding the Philippines, it is important to take note of the words and philosophy of the man. Without further comment, I would like to insert into the RECORD excerpts from his statement earlier this year before the House Subcommittee on Asian and Pacific Affairs, recently reprinted in the Christian Science Monitor. They are the words of a man of peace.

The article follows:

FILIPINO'S RETURN: FIGHTING FIRE WITH WATER

(By Benigno S. Aquino)

The Filipino today is facing an ever-deepening crisis. Never in history has he suffered from greater political and economic wants. It is time for every Filipino abroad who loves his country to return home, suffer with his people, and help in the quest for that elusive national unity which is imperative for the nation's survival.

During my stay in America, I was privileged to enjoy fellowships in two of the most prestigious academic institutions of this great republic, Harvard University and the Massachusetts Institute of Technology, to search for answers to many problems besetting the Philippines.

Shortly after I arrived in Boston in the fall of 1980, I was visited by some of my countrymen and asked to join the ranks of the freedom fighters who have chosen the path of revolution to liberate our people. I considered their appeal very seriously and I redirected my academic research to a close scrutiny of the advantages and disadvantages of the use of force and violence to attain national liberation.

To gather empirical data and firsthand information, I traveled to the Middle East, to Southeast Asia, and to Central America. I interviewed the leaders of the most recent successful revolutions and talked to both the victors and the vanquished, the relatives of the victims and the survivors. I have concluded that revolution and violence exact the highest price in terms of human values and human lives in the struggle for freedom. In the end there are really no victors, only victims.

It is true, one can fight fire with fire, but the late Ramon Magsaysay, one of the most revered presidents of our country, proved that it is more effective to fight fire with water. Communism may be defeated not by adopting the brutal methods of the enemy and thereby losing your moral imperative, but by reinforcing human rights. One can fight hatred with a greater hatred, but Magsaysay proved that it is more effective to fight hatred with greater Christian love. "Those who have less in life should have more in law" was one of his battle cries.

I have decided to pursue my freedom struggle through the path of nonviolence, fully cognizant that this may be the longer and the more arduous road. If I have made the wrong decision, only I and maybe my family will suffer. Only I will suffer solitary confinement once again, and possibly death by firing squad.

But by taking the road of revolution, how many lives, other than mine, will have to be sacrificed? We are already the worst economic performer in Southeast Asia. Revolution would set us back 30 or even 40 years. . . .

I have chosen to return to the silence of my solitary confinement and from there work for a peaceful solution to our problems rather than come back triumphant to the blare of trumpets and cymbals seeking to drown the wailings and sad lamentations of mothers whose sons and daughters have been sacrificed to the gods of revolution. Can the killers of today be the leaders of tomorrow? Must we destroy in order to build? I refuse to believe that it is necessary for a nation to build its foundations on the bones of its young.

Last June 12, 1983, the leaders of the non-violent opposition met and signed in Manila a document entitled "A Formula for National Reconciliation." They appealed to the armed opposition in the hills "to give democratic processes a last chance by joining in the forthcoming elections and to demand that they be free, orderly, and honest."

To bring about peaceful reconciliation, the leaders urged Marcos to grant general amnesty to all political offenders; repeal the Anti-Subversion Law; abolish the infamous President Commitment Order; and discontinue the practice of military interference in purely civilian affairs.

These same leaders warned that "armed conflict in our country is fast approaching the point of no return. Dissenters and dissidents, many of them reluctant rebels, are being driven farther and farther from the ways of peace and reconciliation."

The formula for national reconciliation is their final effort to stave off what they perceive to be an imminent revolution.

Upon my return, I intend to join these leaders in their appeal and take up with them the program of action I crafted during my three years in exile.

Buffeted by natural and unnatural calamities, the Philippines has carded the worst economic performance among the five-nation ASEAN grouping last year. What is more tragic, in the midst of all these miseries, Filipinos are still killing each other in ever increasing numbers. This blood-letting must stop. This madness must cease.

I think it can be stopped if all Filipinos can get together as true brothers and sisters and search for a healing solution, in a genuine spirit of give and take. We must transcend our petty selves, forget our hurts and bitterness, cast aside thoughts of revenge and let sanity, reason, and above all, love of country prevail during our gravest hour. ●

AMERICICO RICCIANI

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. SMITH. Mr. Speaker, on Sunday, September 18, 1983, the Società Romana Maschile di M.S. in Trenton, N.J., will host a testimonial dinner honoring Americo Ricciani for his active participation and encouragement of Trenton area sports and youth programs—his contribution of time and energy in assisting the indi-

gent of the community, and his 58 years of service to the Roman Society.

"Richie" Ricciani was born in Trenton 75 years ago and was later educated at St. Joachim's school in Trenton. As a young man he began a career in the wine business as a driver for the Trenton Wine Co., later becoming a partner and finally sole owner in 1958. He retired from the business in 1976.

Richie was actively involved in numerous youth programs for 30 years. He was basketball and baseball coach for St. Joachim's Catholic Youth Club, the city of Trenton Recreation League, the Trenton Boys Club, and Chambersburg Little League. He later assisted with the Trenton Catholic sports activities in the Fathers' Club. He was also, and still is, deeply involved with charitable and church activities, having served on several fund drives for St. Joachim's Church. Richie also served for 49 years on committees of the Holy Name Society and the Usher's Association. Most noteworthy however is his work over the past 40 years as treasurer of the St. Vincent DePaul Conference, attending to the needs of the poor and indigent of the parish and the community. He continues to work in this capacity today.

As a member of the Roman Society, Richie Ricciani has been a driving force in keeping the Society healthy and vital and was instrumental in formulating a new facility and hall for the Society, and helped initiate a restaurant operation that has become perhaps the most famous and popular of Trenton's lunchtime meeting places.

Richie's busy life includes 50 years of happy marriage to the former Rose Filippini, a marriage further fulfilled by sons William and John, both doctors, and four grandchildren.

Mr. Speaker, I ask my colleagues in the House to join me in recognizing the great human contributions of this great man, and in wishing Americo "Richie" Ricciani many more years of healthy, happy, and productive life. ●

H.R. 3520, REHABILITATION ACT

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. WALGREN. Mr. Speaker, I was pleased to cast my vote yesterday for H.R. 3520, a bill to extend and continue funding for the vocational rehabilitation program and 10 other education programs. The bill is one about which I would hope there would be no controversy, rehab programs help disabled people become independent and employable.

The Rehabilitation Act, now in its 63d year, is a State-Federal partner-

ship providing a broad range of services to help people learn vocational skills and learn how to function as independently as possible. In 1982, the programs served to rehabilitate 226,924 disabled people, of which 57 percent were severely disabled.

This program is one with a tremendous payback, both in personal terms and economic terms. The Rehabilitation Services Administration estimates that for every dollar spent on vocational rehabilitation, there is a return of over \$10. For cases closed in 1980, the estimated lifetime improved earnings for less severely disabled persons is \$14.6 for each dollar of cost. For severely disabled, the ratio is \$8 for each dollar spent. People rehabilitated in 1980 paid \$211.5 million more in income, payroll, and State taxes than they would have without rehabilitation. Another \$68.9 million was saved by reducing dependency on public support payments and institutional care. These numbers, of course, do not and cannot measure the gains in self-esteem, morale, and happiness that can come from a sense of self-sufficiency and independence.

Support for this program comes from a wide range of highly thought of sources.

Alice Rivlin, Director of the Congressional Budget Office, a leading expert on Federal budget policy, wrote:

Since expenditures for vocational rehabilitation are associated with offsetting savings in other government programs, a reduction of funding for rehabilitation would generate increases in other parts of the federal and state budgets.

Secretary of Education Terrel Bell stated in 1982, "I have never seen another program that is more cost-effective than vocational rehabilitation."—We should note, however, that the administration budget request for the program would decrease the number of persons served and rehabilitated.

The essence of the Rehabilitation Act is best summed up by former Senator Hubert Humphrey in 1972, when Congress was considering the provisions that prohibit discrimination against handicapped persons. He said,

The time has come to firmly establish the right of these Americans to dignity and self-respect as equal and contributing members of society and to end the virtual isolation of millions of children and adults from society.

These goals are just as important today as they always have been and I am pleased to cast my vote for them.●

PRESERVE EXPORT CONTROLS— DO NOT LET THE SOVIETS GRAB WESTERN HIGH TECH

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. ROTH. Mr. Speaker, we will soon debate the most important piece of trade legislation to come before this session of Congress. That legislation is H.R. 3231, Amendments to the Export Administration Act of 1979. It enables the President to license, and thereby regulate, U.S. exports for reasons of national security and foreign policy.

Amendments to the Export Administration Act (H.R. 3231) make a number of significant improvements to the operation of the U.S. export controls. But there are other provisions that handicap the ability of the United States, and the countries with whom we control exports cooperatively, to prevent the diversion of advanced technology to the Soviet Union.

There is overwhelming evidence that the Soviets have embarked on a massive campaign to pirate Western technology. The Soviet and East European campaign to acquire Western technology is confirmed by the intelligence services of our NATO allies. Within the past year, virtually every NATO country, has expelled Soviet technology spies.

Since 1949, an informal coordinating committee, known as CoCom (composed of the NATO allies, minus Iceland and Spain plus Japan), has recommended to member governments an international list of strategically significant goods. CoCom governments have pledged to restrict the transfer of items on the list to the Soviets. In recent years, no CoCom country, not even the United States has devoted sufficient resources to export controls. That is beginning to change because many governments now realize the enormity of the Soviet effort to obtain Western goods and technologies.

Not long ago, West German intelligence reported on the Soviet effort to bypass CoCom regulations. West German intelligence reported that Soviet and East European efforts to outwit CoCom are aimed at obtaining military equipment, nuclear technology, and other strategically important goods from the West. It described how Communist agents used numerous methods within the Federal Republic to deceive West German companies about the true destination of CoCom embargoed equipment. The report described how Communist agents offered West German businessmen lucrative business contracts to obtain their cooperation to divert CoCom controlled goods to the Soviet Union. In one case, West German intelligence described

how businessmen ordered equipment manufactured overseas, shipped the equipment to a company in another European country which then diverted the goods to Moscow.

The efforts to steal Western technology are not the work of the Soviets alone. The West German intelligence report described activities by Czechoslovaks, Poles, and Bulgarians to obtain microelectronics, laser optics, radiation technology, measuring equipment, semiconductors, and other CoCom listed goods.

Mr. Speaker, the export control bill pending before the House eliminates the requirement of U.S. companies to obtain export licenses before shipping their goods to CoCom countries. This provision will seriously handicap the efforts of U.S. enforcement authorities to prevent the diversion of goods to the Soviet Union and other other adversaries. Export licensing is an investigative tool. Licensing is a means to an end—to prevent the Soviet from obtaining advanced Western technology which could enhance their military capabilities.

The Committee on Foreign Affairs has proposed to give the exports enforcement office at the Department of Commerce expanded police powers and a significant increase in funding. These are worthwhile objectives. They are, however, without substance if the Department is denied the opportunity to use one of the most important investigative tools to prevent the diversion of technology to the Soviets—the export license.

The United States, as well as our CoCom allies, need to strengthen their enforcement activities. At the same time, we need to reduce the number of products currently controlled. We need to focus our attention on those goods which are of strategic significance. Provision already in H.R. 3231 will accomplish this objective. To do away entirely with export licensing, as H.R. 3231 proposes to do, will weaken rather than strengthen the Export Administration Act.●

MURDER IN MANILA

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. KOSTMAYER. Mr. Speaker, had he not been murdered in cold blood Benigno Aquino would have delivered this address on his return to his homeland last month:

I have returned on my free will to join the ranks of those struggling to restore our rights and freedoms through nonviolence.

I seek no confrontation. I only pray and will strive for a genuine national reconciliation founded on justice.

I am prepared for the worst, and have decided against the advice of my mother, my spiritual adviser, many of my tested friends and a few of my most valued political mentors.

A death sentence awaits me. Two more subversion charges, both calling for death penalties, have been filed since I left three years ago and are now pending with the courts.

I could have opted to seek political asylum in America, but I feel it is my duty, as it is the duty of every Filipino, to suffer with his people especially in time of crisis.

I never sought nor have I been given any assurances or promise of leniency by the regime. I return voluntarily armed only with a clear conscience and fortified in the faith that in the end justice will emerge triumphant.

According to (Indian independence leader Mohandas K.) Gandhi, the willing sacrifice of the innocent is the most powerful answer to insolent tyranny that has yet been conceived by God and man.

Three years ago when I left (the Philippines) for an emergency heart bypass operation, I hoped and prayed that the rights and freedoms of our people would soon be restored, that living conditions would improve and that bloodletting would stop.

Rather than move forward, we have moved backward. The killings have increased, the economy has taken a turn for the worse and the human rights situation has deteriorated.

During the martial law period, the Filipino Supreme Court heard petitions for habeas corpus. It is most ironic after martial law has allegedly been lifted, that the Supreme Court last April ruled it can no longer entertain petitions for habeas corpus for persons detained under a Presidential Commitment Order, which covers all so-called national security cases and which under present circumstances can cover almost anything.

The country is far advanced in her times of trouble. Economic, social and political problems bedevil the Filipino. These problems may be surmounted if we are united. But we can be united only if all the rights and freedoms enjoyed before Sept. 21, 1972 are fully restored.

The Filipino asked for nothing more, but will surely accept nothing less, than all the rights and freedoms guaranteed by the 1935 constitution—the most sacred legacies from the founding fathers.

Yes, the Filipino is patient, but there is a limit to his patience. Must we wait until that patience snaps?

The nationwide rebellion is escalating and threatens to explode into a bloody revolution. There is a growing cadre of young Filipinos who have finally come to realize that freedom is never granted, it is taken. Must we relive the agonies and the bloodletting of the past that brought forth our republic or can we sit down as brothers and sisters and discuss our differences with reason and goodwill?

I have often wondered how many disputes could have been settled easily had the disputants only dared to define their terms.

So as to leave no room for misunderstanding, I shall define my terms:

1. Six years ago, I was sentenced to die before a firing squad by a military tribunal whose jurisdiction I steadfastly refused to recognize. It is now time for the regime to decide. Order my immediate execution or set me free.

I was sentenced to die for allegedly being the leading communist leader. I am not a communist, never was and never will be.

2. National reconciliation and unity can be achieved but only with justice, including justice for our Muslim and Ifugao brothers. There can be no deal with a dictator. No compromise with dictatorship.

3. In a revolution there can really be no victors, only victims. We do not have to destroy in order to build.

4. Subversion stems from economic, social and political causes and will not be solved by purely military solutions; it can be curbed not with ever-increasing repression but with a more equitable distribution of wealth, more democracy and more freedom.

5. For the economy to get going once again, the working man must be given his just and rightful share of his labor, and to the owners and managers must be restored the hope where there is so much uncertainty if not despair.

On one of the long corridors of Harvard University is carved in granite the words of Archibald MacLeish: "How shall freedom be defended? By arms when it is attacked by arms; by truth when it is attacked by lies, by democratic faith when it is attacked by authoritarian dogma. Always, and in the final act, by determination and faith."

I return from exile and to an uncertain future with only determination and faith to offer—faith in our people and faith in God.

Senator Aquino wrote that he believed "justice will emerge triumphant." Let us hope so, Mr. Speaker. If the Marcos regime fails to undertake a thorough and serious investigation into Aquino's assassination it would be a profound betrayal of our country's belief in justice for President Reagan to go ahead with his plans to visit the Philippines in November.

Senator Aquino was a vigorous anti-communist and nationalist; the tragedy of his death has left the Filipino people deeply shaken. For President Reagan to even tacitly renew Vice President Bush's 1981 declaration to President Marcos of "love for your adherence to democratic principle and to the democratic process" would be ignoring the impact of Senator Aquino's death on the Filipino people. They deserve a satisfactory accounting of why and how the murder occurred before Mr. Reagan offers his blessings to the regime in power. Anything less would be a travesty of justice, far from the triumph of Benigno Aquino's dreams.●

AMERICAN BUSINESSWOMEN'S DAY

HON. C. ROBIN BRITT

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. BRITT. Mr. Speaker, American Businesswomen's Day will be held on September 22. I hope my colleagues will join on this occasion in recognizing America's businesswomen for their achievements and advancements in helping to shape America's future.

This day, Mr. Speaker, would not be possible without the hard work of the American Businesswomen's Association. Today, I would like to recognize this vibrant organization for its work in helping women to obtain leadership positions in our country's business community. The American Businesswomen's Association (ABWA) represents businesswomen in all 50 States and Puerto Rico with a membership of more than 105,000 individuals. For more than 32 years, the ABWA has helped prepare women for leadership roles in business. This association is dedicated to the professional, educational, cultural, and social advancement of businesswomen.

Last year, the combined chapters of ABWA awarded more than \$2,322,000 in scholarships to women. In addition, their national scholarship provided more than \$323,000 for educational scholarships. Many of the students were entering colleges or vocational schools for the first time. Some needed specialized courses in order to advance in their chosen career fields, and others were women seeking to update their skills in order to reenter the market after taking time out to raise their families.

In my home district of Alrance, Guilford, and Davidson Counties in North Carolina the ABWA has been especially active. In those three counties alone, the ABWA has established 20 chapters.

Mr. Speaker, American Businesswomen's Day is one way in which to focus our attention on the past and future contributions of American businesswomen. But it is by the work of organizations like ABWA by which the real advancements are made. We in Congress should mirror their commitment.●

CHERIN CHAYKOWSKI

HON. CHRISTOPHER H. SMITH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. SMITH of New Jersey. Mr. Speaker, I am pleased to share with my colleagues in the House the achievements of an unusually gifted and talented young lady who I am proud to represent in Congress.

Cherin Chaykowski of Lawrenceville, N.J., is only 10 years old, yet in just 3 years of active twirling competition, Cherin has garnered over 600 trophies and awards which fill two full rooms in her home, with still more honors on display in virtually every corner of the house. When I visited here recently, I could not believe someone of Cherin's age could accomplish so much in so short an amount of time.

Recently, Cherin Chaykowski obtained the highest honor yet in her illustrious young career. She was selected as the 1983 All-American Girl at the American Youth on Parade NBTA World and National Baton Twirling Competition held July 19-23 at Notre Dame University in South Bend, Ind. Cherin represented New Jersey and was selected over 50 other contestants from the United States and Canada. She also won medals in the jazz dance, world 2-baton and world flag twirling competition at Notre Dame.

These recent national honors only top a very long and impressive list of achievements. Cherin is the featured twirler for the award-winning Lawrence High School Cardinal Band; she is listed in the 1983 edition of "Who's Who in Baton Twirling," she was a guest parade marshal in the Walt Disney World decennial parade in Walt Disney World, Florida in 1982; she was selected Miss S.E. Jersey Hemisphere, Miss Talent New Jersey Hemisphere, and Miss S.E. Pennsylvania Hemisphere 1983 and was second runner-up in the Miss New Jersey Pre-Teen Pageant held in May of this year. She currently holds other modeling and baton titles too numerous to mention.

Cherin Chaykowski is a bright, charming young lady with a winning smile and personality, and I believe she will do much in the coming years to make her town, State, and country very proud. Indeed, she has already accomplished more in a few years than most people accomplish in a lifetime.

I ask my colleagues to join me in honoring Cherin Chaykowski and in wishing her all the best in her life. I know we will be watching her career with great pride and anticipation. ●

**TESTIMONIAL DINNER FOR
BALOZI HARVEY**

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. RODINO. Mr. Speaker, this Sunday a testimonial dinner will be held for Balozzi Harvey, executive director of the Harlem Third World Trade Institute. It is being held in Newark, and the international community in New Jersey and New York will gather to pay tribute to this great man.

Mr. Harvey has made enormous contributions to enhancing trade relations with the Third World. He is one of the most skilled trade facilitators in the world, particularly in dealing with African, Caribbean, and Latin countries. Mr. Harvey was a pioneer in the area of Third World trade, and it is significant tribute to him that ambassadors of Third World countries and leaders

of international organizations will be present at the testimonial dinner.

In addition to his skills in the area of international trade, Mr. Harvey also has exceptional dedication to his community and to the needs of small business people.

The participants at the dinner represent an extensive list of national and international leaders. The keynote speaker will be Oumarou Youssoufou, Ambassador of the Organization of African Unity to the United Nations. The program also includes a welcome address by Mayor Kenneth A. Gibson of Newark, an invocation by the Reverend Charles Kenyatta of the White Rock Baptist Church, and Hon. Ralph T. Grant will be the master of ceremonies. Other notables who will attend are Joseph Legwaila, Ambassador of Botswana; Paul Rupia, Ambassador of Tanzania; Mayor Thomas Cook, Jr. of East Orange, N.J.; State Senator Wynona M. Lipman; Assemblywoman Mildred Barry Garvin; Representative CHARLES B. RANGEL of New York; and Mr. Kevin Ali, chairman of the Testimonial Dinner Committee. ●

**SOVIET CHEMICAL/BIOLOGICAL
WARFARE PREPARATIONS**

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. PHILIP M. CRANE. Mr. Speaker, today the United States faces a serious security problem which many Americans would rather not recognize—the massive buildup of chemical and biological weapons by the Soviet Union. Though a signator, the Soviet Union blatantly disregards the international chemical and biological weapons treaties by producing and using these agents. Soviet chemical warfare policies present a grave danger to the United States and the NATO alliance.

Mr. Speaker, the evidence demonstrates that the Soviet Union regards chemical and biological weapons as an integral part of its overall military strategy. Soviet strategists make no distinction between conventional and chemical warfare.

Currently, the Red army has between 80,000 and 100,000 soldiers dedicated to chemical/biological warfare (CBW)—that is twice the number of U.S. combat troops currently stationed in Europe. Furthermore, chemical warfare training has long been as vital a part of Soviet military training as small arms instruction. During maneuvers the Soviets use a diluted form of soman, the standard nerve gas in the Soviet CBW arsenal, to provide realism. That practice results in an average of 12 training fatalities a year. Soviet strategy emphasizes survivability in a chemical environment. Each

Soviet tank and motorized rifle division has a chemical defense battalion with 66 vehicles, 32 of which are decontamination vehicles. Complementing this extensive investment made for decontaminating both equipment and personnel rapidly is the investment in vehicle protection. No army has devoted such a scope of equipment and specialized units to insuring the decontamination of its forces—thus preserving combat effectiveness. Soviet planners apparently envisage persistent agents being a significant factor in the next war in Europe.

Western defense analysts estimate that an astounding 50 percent of all missiles, artillery shells, mortar bombs, land mines, and airborne bombs facing NATO are filled with chemical agents. The Soviets possess the capability to use these agents offensively. Gen. Frederick J. Kroesen, former Commander of U.S. Forces in Europe, has stated that the Soviet CBW capabilities are so awesome and NATO—especially United States—defensive capabilities so inadequate, that if he were the Soviet commander responsible for attacking NATO, he would be sorely tempted to use his CBW assets from the outset. Given this striking evidence, it is difficult to imagine how anyone can doubt that the Soviets plan to fight a chemical war.

Mr. Speaker, I have seen firm evidence supplied by the U.S. Government of the continuing growth of Soviet CBW production and storage capabilities. Estimates of the amount of chemical agents stockpiled inside the Soviet Union range from 30,000 to 700,000 tons; but a figure of 350,000 tons, against the U.S. holdings of about 42,000 tons, has become generally accepted in the West.

In April 1979 at military compound 19 at Sverdlovsk in the Soviet Union, an explosion or leak at a highly secure biological weapons production facility produced a cloud of Anthrax that killed upward of 1,000 people. The Soviets were forced to decontaminate the town and environs by scrubbing down the buildings, streets, and cars. That revelation clearly shows the Soviet Union's violation of the 1972 Biological Weapons Convention to which it is a signator.

In addition to the incident at Sverdlovsk, Mr. Speaker, there are several documented instances of the Soviet Union using Third World peoples as laboratory guinea pigs to operationally test the effectiveness of their CBW weapons and tactics. In 1967 at the end of the Yemen civil war, reports circulated about the use of Soviet-supplied chemical agents from Egyptian aircraft following some bizarre casualties. Also in 1967, during the six-day war, the Israelis claimed to have found a cache of Soviet nerve gas in the

Sinai. Many people said that the Israeli allegations were mere propaganda designed to elicit support in the United States. But in 1973 during the Arab-Israeli war, the Israelis captured battle tanks of Soviet origin equipped with automatic antidote injectors against soman.

According to the U.S. State Department and independent defense analysts, the Soviets have not limited their chemical experimentation to the Middle East. Laotian and Vietnamese forces were reported to have used Soviet chemical agents—mustard gas and soman—in Laos between 1974 and 1981. In 1979 the Soviets entered Afghanistan with substantial chemical forces accompanying five Red army divisions. As reported on the "ABC News" documentary, "Rain of Terror," which aired on December 21, 1981, eyewitnesses reported 400 to 500 deaths after Soviet soldiers in Vietnamese uniforms shot Russian rockets into the mountains. Diplomatic observers and journalists have reported several attacks on schools in Afghanistan. Many say such attacks are designed to "teach the student a lesson for trying to demonstrate against the Soviets." Defense & Foreign Affairs magazine reports that stockpiles of chemical agents of Soviet origin exist in Cuba, Czechoslovakia, Ethiopia, East Germany, Iraq, Poland, and Vietnam. For over 15 years the Soviets have been perfecting the means to wage an unlimited chemical war.

If chemical and biological weapons are used they have to have been produced and stockpiled. Usage violates the 1925 Geneva Protocol. Production and stockpiling violates the 1972 Biological Weapons Convention. The Soviet Union is a signatory to both of these agreements on chemical weapons. To date there is not an international agreement that effectively binds all signatories to the stipulations delineated in the Geneva Protocol or the Biological Weapons Convention agreement. As a result, such an agreement cannot be enforced and all parties are bound by nothing more than their moral principles. It is patently absurd as well as immoral for the United States to believe that we can negotiate an honest agreement with the Soviet Union unless there is an adequate provision for verification of compliance. Only full and adequate onsite inspection constitute "adequate" verification.

My distinguished colleague from New York, Mr. STEPHEN J. SOLARZ shares my fear of the massive Soviet buildup of chemical and biological weapons. Even though we differ sharply on many policy questions, our concurrence on the implications of Soviet deployment of chemical and biological weapon agents demonstrates the fact that this issue is too vital to the security of the free world to place

within the realm of partisan politics. Mr. SOLARZ' article, "Yellow Rain: Beyond a Reasonable Doubt," which appeared in the June 22 edition of the Wall Street Journal, stresses the necessity of including provisions for verification in all chemical weapons treaties. Mr. SOLARZ presents compelling evidence of Soviet violation of chemical and biological arms accords.

Mr. Speaker, I applaud Mr. SOLARZ for his thorough and thought-provoking article and recommend it to the attention of my colleagues. Let it stand as a reminder of the consequences should we deny the existence of the threat imposed by Soviet chemical and biological weapons.

The article follows:

[From the Wall Street Journal, June 22, 1983]

YELLOW RAIN: BEYOND A REASONABLE DOUBT
(By Stephen J. Solarz)

There may be reasons for doubting that the Soviet Union is involved with illegal chemical warfare in Asia, but the facts of the case aren't among them. No matter how hard those who prefer to see and hear and speak no evil may try, the evidence simply cannot be explained away.

It is not just the United States but also Canada, Britain, Australia, China and Thailand, among others, which have found that illegal chemical warfare is being used in Asia. Even the Socialist foreign minister of France, who is no enemy of Vietnam, recently announced that France on its own had "firm and convincing evidence" of the use of these weapons in Southeast Asia and Afghanistan.

Yet it is easy to understand why so many good people resist this conclusion. When former Secretary of State Alexander Haig first aired the charge that the Soviet Union was violating treaties prohibiting chemical and biological warfare, his publicly presented evidence—a twig—seemed so thin that Mr. Haig's claim appeared to be more an exercise in Cold War propaganda than a presentation of carefully compiled scientific data. Many people here and abroad also worried that Mr. Haig's accusation was part of a Reagan administration attempt to justify its hostility to arms control agreements with the Soviet Union.

PLENTY OF EVIDENCE

The initial skepticism which greeted Mr. Haig's accusation notwithstanding, the use of chemical warfare by the U.S.S.R. and Vietnam has now been established beyond doubt. Not only is there persuasive, if highly classified, technical data indicating Soviet involvement in the manufacture, supply and use of chemical weapons, but peer reviews of the U.S. evidence by a panel of American scientists and a leading Japanese authority on the subject have independently confirmed that the chemical agents discovered were indeed man-made, prohibited substances. In addition, there is publicly available medical testimony, hundreds of first-hand reports from the victims of "yellow rain," and laboratory analysis of samples taken from areas in which these prohibited toxins have been found.

Doctors from France, India, the U.S., the Philippines and Canada who work with refugees along the borders to which the victims of chemical warfare have fled almost uniformly report finding symptoms in victims of attacks which aren't consistent with

any known disease, but which do conform to symptoms associated with illegal chemical weapons.

The stories of the victims are compelling in themselves. Contrary to what some doubters imply, these reports do not come from a handful of able-bodied, politically committed Meo leaders, but from a wide variety of Khmer, Hmong and Afghan refugees, ranging from little children to the elderly.

Their accounts of "yellow rain" attacks are particularly convincing in that they are usually not volunteered, but are revealed only when a doctor asks the refugees directly about their symptoms.

Refugee reports are dismissed by many people as inherently unreliable. This is exactly what happened when the first stories began to come out of Nazi-occupied Europe about the Holocaust. In fact refugees have a record of being excellent sources of information on inaccessible societies and situations.

The Chinese who fled to Hong Kong in 1962 carried reports of mass famine. Even experts dismissed their testimony. Yet it is now known that at least 10 million people perished.

Cambodian refugees fleeing Pol Pot's minions after the fall of the Lon Nol regime in 1975 related harrowing accounts of autogenocide. Many people dismissed the bloody truth as a Cold War lie invented to discredit Vietnam, which was seen as supporting Cambodia. Yet we now know that about a third of the Khmer people lost their lives during Pol Pot's brief period in power.

The reports of Afghan refugees fleeing Soviet tyranny and of Guatemalan refugees fleeing their own army, which has gone on a rampage in the countryside, are now widely accepted. It strains credulity to believe that the refugees escaping "yellow rain" in Asia, alone among all the victims of repression, are uniquely engaged in a monumental hoax.

For those not fully convinced by the testimony of independent doctors or the reports of victimized refugees, even more definitive proof is available in the form of laboratory analysis. Samples obtained from areas in which "yellow rain" has been reported reveal combinations of trichothecene toxins not found in nature. Since Hanoi doesn't have the scientific or technical capacity to manufacture these illegal substances, it is clear that Vietnam must be receiving them from the Soviet Union.

The only explanation of these manmade poisons that would exculpate the Soviet Union is that the CIA or some other foreign agency planted the evidence. But not even the U.S.S.R. has suggested such a conspiracy theory as a way of explaining the undeniable existence of these toxins.

In its formal response to the U.S. charges, the Soviet Union has acknowledged the existence in Laos and Cambodia of these prohibited chemicals. But it has claimed that they are due to U.S. use of Agent Orange in Vietnam, which, according to the Soviet argument, destroyed the natural vegetation and led to the growth of elephant grasses that produced the toxins in question. These deadly poisons, the Soviets go on to claim, are being carried into hostile Hmong and Khmer regions by monsoon winds that, somehow or other, deposit them nowhere else. So far not a single serious independent scientist, or even Rube Goldberg, has lent any credence to this Soviet invention of inherently implausible interrelations, and a U.S. team of experts found no validity in the Soviet hypothesis.

WE CAN'T IGNORE THE VICTIMS

The latest effort to explain away the damning evidence asserts that the trichothecenes found in Southeast Asia grew on bee defecations. Since bees have presumably long been indigenous to the region, it is odd that these deadly manifestations show up only now. The incredible bee hypothesis, unlike the one advanced by the Soviet Union, does not even pretend to explain why these poisonous substances did not appear in earlier years or in other places.

Some people resist the compelling evidence of Soviet violation of chemical and biological arms accords out of a fear that such a conclusion would jeopardize prospects for reaching future arms-control agreements. But the conclusion which the evidence compels is not that the U.S. should refrain from entering into such agreements with the Soviets, but that any such treaties must have adequate provisions for verification, in contrast to the chemical-war conventions which lack them.

Arms-limitation agreements with the Soviets are essential if we are going to bring the arms race under control. But it is absolutely imperative that, in the midst of such efforts, we don't turn our backs on another helpless group of victims. Otherwise the crime will spread. Reports are now coming in of similar chemical attacks in Eritrea. This outrage must end.●

CPL. WOLODYMYR HOLYNSKYJ

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. KEMP. Mr. Speaker, Cpl. Wlodomyr Holynskyj, one of America's truly courageous and outstanding men, will be honored on Saturday, September 24, when the Ukrainian American Veterans Post No. 23 in Buffalo, N.Y., is renamed in his honor. Cpl. Wlodomyr Holynskyj, U.S. 55155218, served as a member of Company L, 5th Infantry, in the U.S. Army and was killed in action in Korea on September 2, 1952.

I would like to bring to the attention of my colleagues the many fine accomplishments for which Cpl. Wlodomyr Holynskyj is being recognized. He was awarded the Purple Heart, the Good Conduct Medal, the United Nations Medal, the Korean Theater Medal, and the Republic of Korea Citation Medal. He was also decorated, posthumously, with the Bronze Star Medal with the letter "V" device for heroic achievement in connection with military operations against an enemy of the United States.

Mr. Speaker, I appreciate the opportunity to pay tribute to a man whose personal accomplishments have impacted our Nation's history. Naming the Ukrainian American Veterans Post No. 23 in Corporal Holynskyj's honor is but a small display of the recognition he truly deserves. Cpl. Wlodomyr Holynskyj's fortitude, resilience, and dedication in bravely defending

our country serves as a moving inspiration to us all.●

PERSONAL EXPLANATION

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. LEHMAN of California. Mr. Speaker, I was unable to cast my vote on rollcall No. 323, providing that the President can remove a member of the Civil Rights Commission only for neglect of duty or malfeasance in office. Had I been present on August 4, I would have voted "aye" on this amendment to H.R. 2230 regarding the Civil Rights Commission.●

NEW JERSEY BLACK ISSUES CONVENTION

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 14, 1983

● Mr. RODINO. Mr. Speaker, this weekend the first annual New Jersey Black Issues Convention will take place in Somerset, N.J. Over 700 participants are expected to attend this very important convention. It is being sponsored by the New Jersey chapter of the National Black Caucus of Local Elected Officials, together with the New Jersey Conference of NAACP Chapters, the New Jersey Coalition of 100 Black Women, the New Jersey A. Phillip Randolph Institute, the New Jersey Section of the National Council of Negro Women, and many other statewide organizations.

The major purpose of the convention is to discuss the critical issues affecting the black community, and workshops will be held on such topics as human service needs, public housing, economic development, criminal justice, and education.

It is extremely appropriate that the convention is taking place now, less than 1 month after the August 27 "Jobs, Peace, and Freedom" rally held here in Washington to commemorate the 20th anniversary of the historic 1963 March on Washington. All of us who participated in this event found it a time to recommit ourselves to the goals articulated 20 years ago by Dr. Martin Luther King, Jr.

Donald Tucker, a Newark councilman and president of the National Black Caucus of Local Elected Officials, who has convened the event, is to be commended for his outstanding work, as well as Margaret Hayes, president of the New Jersey Coalition of 100 Black Women and Jerome C. Harris, director of public works and urban development for the city of Plainfield. The convention is sched-

uled to include presentations by such prominent national leaders as D.C. Delegate Walter Fauntroy; Dorothy Height, president of the National Council of Negro Women; M. Carl Holman, president of the National Urban Coalition; and Joseph Madison, national director of the NAACP's Political Action Committee.

Mr. Speaker, I am certain that this weekend will be a successful opportunity to address a host of pressing issues facing the black community, and I offer my best wishes to all of the participants.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 15, 1983, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 16

9:30 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on the nomination of Philip Abrams, of Massachusetts, to be Under Secretary of Housing and Urban Development.

SD-538

Commerce, Science, and Transportation

To hold hearings on the nomination of Matthew V. Scocozza, of Tennessee, to be Assistant Secretary of Transportation for Policy and International Affairs.

SR-253

Finance

Oversight of the Internal Revenue Service Subcommittee

To hold hearings on the effectiveness of the tax refund offset program for certain delinquent child support payments, and on S. 150, to establish the collection of student loans in default.

SD-215

- Judiciary
Constitution Subcommittee
To hold hearings on the commemoration of the bicentennial of the Constitution.
SR-325
- 10:00 a.m.
Select on Indian Affairs
To hold hearings on S. 1694, to declare that the United States hold certain lands in trust for the Las Vegas Paiute Tribe.
SD-430
- Joint Economic
To hold hearings on job training needs of American workers.
SD-628
- 10:45 a.m.
Judiciary
Constitution Subcommittee
Business meeting, to mark up S. 501, to eliminate certain sex discriminatory provisions from the Federal Code.
SD-226
- 11:00 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 1189, to authorize funds for fiscal year 1984 for the Civil Rights Commission.
SD-226
- 2:00 p.m.
Finance
To hold hearings to review the Federal Supplemental Compensation (FSC) Program.
SD-215

SEPTEMBER 19

- 9:00 a.m.
Commerce, Science, and Transportation
To hold hearings on the nomination of Barbara E. McConnell, of the District of Columbia, to be a Member of the Civil Aeronautics Board.
SR-253
- 9:45 a.m.
Finance
International Trade Subcommittee
To hold hearings on the terms of the International Coffee Agreements (Treaty Doc. 98-2), and on enabling legislation to authorize the President to enforce their provisions.
SD-215
- 10:00 a.m.
Banking, Housing, and Urban Affairs
To hold hearings on S. 1679, proposed Honest Budgeting Act.
SD-538
- Finance
International Trade Subcommittee
To hold hearings on S. 1035, to provide authority to enforce the terms of the Steel Pipe and Tube Agreement between the United States and the European communities.
SD-215
- Joint Economic
To hold closed hearings on the allocation of resources to the Soviet Union and China.
SR-485
- 2:00 p.m.
Banking, Housing, and Urban Affairs
To continue hearings on S. 1679, proposed Honest Budgeting Act.
SD-538

EXTENSIONS OF REMARKS

- Finance
Savings, Pensions and Investment Policy Subcommittee
Taxation and Debt Management Subcommittee
To hold joint hearings on numerous tax proposals, including S. 1066, S. 1550, S. 1557, and S. 1666.
SD-215
- Judiciary
Immigration and Refugee Policy Subcommittee
Business meeting, to consider proposed legislation providing for a 3-year extension of the Refugee Act of 1980 (P.L. 96-212).
SD-226

SEPTEMBER 20

- 9:30 a.m.
Commerce, Science, and Transportation
Business meeting, to consider pending calendar business.
SR-253
- Judiciary
Juvenile Justice Subcommittee
To hold oversight hearings to review State and local victims assistance programs.
SD-226
- Labor and Human Resources
To resume oversight hearings on alleged illegal sales of union memberships or books to unqualified welders by officials of local chapters of the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers and Helpers.
SD-430
- 10:00 a.m.
Armed Services
To resume hearings on the organization, structure, and decisionmaking procedures of the Department of Defense.
SR-385
- Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
- Environment and Public works
Water Resources Subcommittee
Business meeting, to resume markup of S. 1739, to authorize the U.S. Army Corps of Engineers to construct various projects for improvements to rivers and harbors of the United States.
SD-406

Foreign Relations

- Business meeting, to resume consideration of Senate Joint Resolution 2, calling for a mutual and verifiable freeze and reduction in nuclear weapons, and related resolutions, including Senate Joint Resolution 12, Senate Joint Resolution 29, Senate Joint Resolution 74, Senate Resolution 57, Senate Resolution 83, Senate Resolution 107, Senate Resolution 142, Senate Resolution 159, and Senate Concurrent Resolution 46.
SD-419

Governmental Affairs

- Permanent Subcommittee on Investigations
To resume hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).
SD-342

- Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings to review the accessibility of student loans.
SD-124
- 11:00 a.m.
Veterans' Affairs
To hold hearings to receive legislative recommendations for fiscal year 1984 from the American Legion.
SR-325
- 2:00 p.m.
Judiciary
Administrative Practice and Procedure Subcommittee
To resume hearings on S. 1275, to establish an independent corps of administrative law judges on the Federal level.
SD-226
- Select on Intelligence
Closed briefing on intelligence matters.
S-407, Capitol

SEPTEMBER 21

- 9:00 a.m.
Labor and Human Resources
Business meeting, to resume markup of S. 1133, to authorize funds for fiscal years 1984, 1985, and 1986 for the Legal Services Corporation, and other pending calendar business.
SD-430
- 9:30 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To hold hearings on S. 1821, proposed Secondary Mortgage Market Enhancement Act.
SD-538
- Commerce, Science, and Transportation
To hold oversight hearings on the implementation of the Motor Carrier Act (P.L. 96-296).
SR-253
- Labor and Human Resources
To hold oversight hearings on certain activities of the International Labor Organization.
SD-430
- 10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366
- *Environment and Public Works
Business meeting, to consider proposed amendments to the Clean Water Act (P.L. 95-217), S. 1354 and H.R. 3103, bills to provide emergency relief for disaster-damaged roads administered under the Federal-aid highway emergency relief (ER) program, and S. 452, to establish public buildings policies for the Federal Government, to establish the Public Buildings Service in the General Services Administration, to provide for the authorization of funds for the construction, renovation, and maintenance of public buildings and related activities of the Public Buildings Service.
SD-406
- Governmental Affairs
Business meeting, to markup S. 121, to establish a U.S. Department of Trade as an executive department of the Federal Government.
SD-342

Judiciary
Administrative Practice and Procedure
Subcommittee
To hold hearings on the substance of S. 1080, to improve and modify the Federal regulatory reform process (pending on Senate Calendar).
SD-562

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-224

SEPTEMBER 22

9:30 a.m.
Agriculture, Nutrition, and Forestry
Soil and Water Conservation, Forestry
and Environment Subcommittee
To hold hearings on S. 566, S. 1503, and
S. 129, miscellaneous land conveyance
bills.
SR-324

Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To continue hearings on S. 1821, proposed
Secondary Mortgage Market Enhancement
Act.
SD-538

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending
calendar business.
SD-366

Foreign Relations
To hold hearings to review recent developments
concerning the U.S. Information Agency.
SD-419

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on a Presidential
commission report on excellence in
education.
SD-430

Labor and Human Resources
Family and Human Services Subcommittee
To resume oversight hearings on the
breakdown of the traditional family
unit, focusing on causes and societal
implications.
SD-628

10:30 a.m.
Environment and Public Works
Nuclear Regulation Subcommittee
Business meeting, to mark up S. 893 and
S. 894, bills to provide an effective and
efficient licensing and regulatory process
for the siting, construction, and operation
of nuclear powerplants, and on proposed
legislation authorizing funds for fiscal
years 1984 and 1985 for certain programs
of the Nuclear Regulatory Commission.
SD-406

2:00 p.m.
Environment and Public Works
Environmental Pollution Subcommittee
Business meeting, to mark up S. 1329, to
provide financial assistance to States for
wetlands conservation, and other
pending business.
SD-406

SEPTEMBER 23

9:00 a.m.
Energy and Natural Resources
Public Lands and Reserved Water Subcommittee
To hold hearings on S. 1090, to establish
a National Outdoor Recreation Resource
Review Commission to study

and recommend appropriate policies
and activities to assure the continued
availability of quality outdoor recreation.
SD-366

9:30 a.m.
Finance
Economic Growth, Employment and Revenue
Sharing Subcommittee
To hold hearings on the future of U.S.
basic industries.
SD-215

Labor and Human Resources
Aging Subcommittee
To hold hearings to review certain provisions
of the Age Discrimination and Employment
Act which affect Americans working
abroad.
SD-430

10:00 a.m.
Joint Economic
To resume hearings on job training
needs of American workers.
SD-562

SEPTEMBER 26

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on numerous tax proposals,
including S. 120, S. 1397, S. 1584, S. 1814,
S. 1815, and S. 1826.
SD-215

10:00 a.m.
Judiciary
Immigration and Refugee Policy Subcommittee
To resume hearings to review the progress
of this year's refugee resettlement
program.
SD-226

Joint Economic
To resume hearings on job training
needs of American workers.
SD-562

SEPTEMBER 27

9:00 a.m.
Office of Technology Assessment
The Board, to hold a general business
meeting.
H-227, Capitol

9:30 a.m.
Judiciary
Constitution Subcommittee
To hold hearings on S. 141, to provide a
special defense to the liability of political
subdivisions of States under section
1979 of the revised Statutes (42
U.S.C. 1983) relating to civil actions
for the deprivation of rights.
SD-226

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1624, proposed
Merchant Marine Revitalization Act, and a
committee amendment thereto, S. 1616,
proposed Government Impelled Cargo Act,
S. 206, to make the Secretary of Transportation
responsible for determining and designating
programs subject to requirements for the
transportation in American vessels or
cargoes procured, furnished, or financed
by the United States, and S. 188, to require
the U.S. Postal Service to contract with
U.S. registered vessels for international sea
transportation of mail.
SR-253

Energy and Natural Resources
Business meeting, to consider pending
calendar business.
SD-366

Environment and Public Works
Nuclear Regulation Subcommittee
Business meeting, to resume markup of
S. 893 and S. 894, bills to provide an
effective and efficient licensing and
regulatory process for the siting, construction,
and operation of nuclear powerplants,
and on proposed legislation authorizing
funds for fiscal years 1984 and 1985 for
certain programs of the Nuclear Regulatory
Commission.
SD-406

SEPTEMBER 28

9:30 a.m.
Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To hold hearings on S. 537, proposed
Fair Deposit Availability Act.
SD-538

Judiciary
Juvenile Justice Subcommittee
To resume oversight hearings to review
State and local victims assistance programs.
SD-562

Select on Intelligence
Legislation and the Rights of Americans
Subcommittee
To hold closed hearings on intelligence
matters.
S-407, Capitol

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending
calendar business.
SD-366

Environment and Public Works
Business meeting, to resume markup of
S. 1354 and H.R. 3103, bills to provide
emergency relief for disaster-damaged
roads administered under the Federal-Aid
Highway Emergency Relief (ER) program,
and S. 452, to establish public buildings
policies for the Federal Government,
to establish the Public Buildings Service
in the General Services Administration,
and to provide for the authorization of
funds for the construction, renovation,
and maintenance of public buildings and
related activities of the Public Buildings
Service.
SD-406

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings to investigate alleged
involvement of organized crime and
mismanagement of funds in the hotel and
restaurant workers union (HEREIU).
SD-342

SEPTEMBER 29

9:30 a.m.
Banking, Housing, and Urban Affairs
Housing and Urban Affairs Subcommittee
To resume hearings on S. 1821, proposed
Secondary Mortgage Market Enhancement
Act.
SD-538

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To resume hearings on S. 1624, proposed
Merchant Marine Revitalization Act, and a
committee amendment thereto, S. 1616,
proposed Government Im-

pelled Cargo Act, S. 206, to make the Secretary of Transportation responsible for determining and designating programs subject to requirements for the transportation in American vessels or cargoes procured, furnished, or financed by the United States, and S. 188, to require the U.S. Postal Service to contract with U.S. registered vessels for international sea transportation of mail.

SR-253

Energy and Natural Resources
Water and Power Subcommittee

To hold hearings on S. 1811 and H.R. 71, bills to authorize and direct the Secretary of the Interior to engage in a special study of the potential for ground water recharge in the high plains States.

SD-366

Environment and Public Works
Regional and Community Development Subcommittee

To resume hearings on S. 1525, authorizing funds through fiscal year 1986 for administrative expenses of the Federal Emergency Management Agency and for emergency and disaster relief assistance, and to revise procedures concerning State requests for relief assistance.

SD-406

Governmental Affairs
Permanent Subcommittee on Investigations

To continue hearings to investigate alleged involvement of organized crime and mismanagement of funds in the hotel and restaurant workers union (HEREIU).

SD-342

Labor and Human Resources
Education, Arts, and Humanities Subcommittee

To resume hearings on a Presidential commission report on excellence in education.

SD-430

SEPTEMBER 30

9:00 a.m.

Energy and Natural Resources
Public Lands and Reserved Water Subcommittee

To hold hearings on S. 837, to designate certain lands in the State of Washington as wilderness.

SD-366

9:30 a.m.

Finance
Oversight of the Internal Revenue Service Subcommittee

To hold hearings on S. 1262, to clarify and expedite Internal Revenue Service audits of religious organizations.

SD-215

10:00 a.m.

Environment and Public Works
Water Resources Subcommittee

Business meeting, to consider S. 865, to provide for the operation, maintenance, and construction of water resource projects, and S. 970, to authorize funds through fiscal year 1988 for maintenance dredging and to require non-Federal interests to pay for 50 percent of the annual Federal costs to dredge deep-draft channels and harbors.

SD-406

OCTOBER 3

9:30 a.m.

Finance
Economic Growth, Employment and Revenue Sharing Subcommittee
To resume hearings on the future of U.S. basic industries.

SD-215

OCTOBER 4

9:30 a.m.

Commerce, Science, and Transportation
Aviation Subcommittee
To hold hearings on S. 764, proposed Air Travelers Security Act.

SR-253

Labor and Human Resources
Labor Subcommittee

To hold hearings on S. 19 and S. 918, bills to revise current Federal pension law with respect to the rights and benefits of working and nonworking women, and the substance of S. 372, to promote interstate commerce by prohibiting discrimination in the writing and selling of insurance contracts.

SD-430

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.

SD-366

Finance

Social Security and Income Maintenance
Programs Subcommittee

To resume hearings on S. 1691, to restructure the administration of the child support enforcement program, and a related proposal, S. 1708.

SD-215

Labor and Human Resources
Family and Human Services Subcommittee

To resume oversight hearings on the breakdown of the traditional family unit, focusing on the role of government.

SD-628

OCTOBER 5

9:30 a.m.

Labor and Human Resources
To hold hearings to review human resources implications in job corps reform.

SD-430

10:00 a.m.

Energy and Natural Resources
Business meeting, to consider pending calendar business.

SD-366

Environment and Public Works
Nuclear Regulation Subcommittee

Business meeting, to resume consideration of S. 893 and S. 894, bills to provide an effective and efficient licensing and regulatory process for the siting, construction, and operation of nuclear powerplants, and on proposed legislation authorizing funds for fiscal years 1984 and 1985 for certain programs of the Nuclear Regulatory Commission.

SD-406

Judiciary
Courts Subcommittee

To hold hearings on S. 1706, to provide for the positive identification of persons holding identification documents.

SD-226

Judiciary

Administrative Practice and Procedure
Subcommittee

To hold hearings on proposed legislation to authorize compensation for those citizens and resident aliens of the Aleutian Islands who were interned, detained, or forcibly relocated by the U.S. Government during World War II.

SD-628

OCTOBER 6

9:30 a.m.

Energy and Natural Resources
Energy Conservation and Supply Subcommittee

To hold hearings on S. 1366, to implement the recommendations of the interim report of the Northern Mariana Islands Commission on Federal Laws, and to revise certain provisions of the Revised Organic Act of the Virgin Islands and the Organic Act of Guam, and S. 1367, to repeal certain provisions of law relating to the territories and insular possessions of the United States.

SD-366

Labor and Human Resources
Business meeting, to consider pending calendar business.

SD-430

10:00 a.m.

Environment and Public Works
Business meeting, to consider S. 23, S. 532, and S. 1330, bills to develop long-term job opportunities in public works.

SD-406

OCTOBER 7

9:30 a.m.

Joint Economic
To hold hearings on the employment/unemployment statistics for September.

Room to be announced

OCTOBER 10

10:00 a.m.

Joint Economic
To resume hearings on job training needs of American workers.

Room to be announced

OCTOBER 17

10:00 a.m.

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold hearings to review environmental research and development programs.

SD-406

OCTOBER 18

10:00 a.m.

Energy and Natural Resources
Energy and Mineral Resources Subcommittee

To hold hearings on S. 1634, to repeal certain provisions of the Federal Coal Leasing Act Amendments of 1976.

SD-366

Judiciary

Administrative Practice and Procedure
Subcommittee

To resume oversight hearings to provide indemnification to Government contractors against the risks of catastrophic accidents and noncatastroph-

hic accidents for which the Government is primarily responsible.

SD-562

Judiciary
Security and Terrorism Subcommittee
To hold hearings to examine the influence of communism in liberation theology.

SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on vocational education programs administered by the Department of Education.

SD-430

*Labor and Human Resources
Alcoholism and Drug Abuse Subcommittee
Business meeting, to mark up S. 503, to make it unlawful to manufacture, advertise, distribute, or possess a drug which is an imitation of a controlled substance.

SD-628

OCTOBER 19

9:00 a.m.

Labor and Human Resources
Business meeting, to consider pending calendar business.

SD-430

9:30 a.m.

Labor and Human Resources
To hold hearings to examine the quality of education.

SD-430

10:00 a.m.

Judiciary
Security and Terrorism Subcommittee
To continue hearings to examine the influence of communism in liberation theology.

SD-226

OCTOBER 20

9:30 a.m.

Labor and Human Resources
Labor Subcommittee
To hold hearings on proposed legislation to improve and clarify the employee retirement income security program.

SD-430

10:00 a.m.

Environment and Public Works
Business meeting, to consider pending calendar business.

SD-406

Labor and Human Resources
Aging Subcommittee
To hold hearings to review certain programs for older veterans.

SD-628

OCTOBER 21

10:00 a.m.

Environment and Public Works
Toxic Substances and Environmental Oversight Subcommittee
To hold hearings on groundwater contamination.

SD-406

Judiciary

Courts Subcommittee
To hold hearings on S. 1581, to grant congressional approval to the Central Interstate Low-Level Radioactive Waste Compact.

SD-226

OCTOBER 25

9:30 a.m.

Governmental Affairs
Oversight of Government Management Subcommittee
To hold oversight hearings to review computer security in the Federal Government and the private sector.
Room to be announced

Labor and Human Resources
To resume oversight hearings on alleged illegal sales of union memberships or books to unqualified welders by officials of local chapters of the International Brotherhood of Boilermakers, Iron Shipbuilders, Blacksmiths, Forgers & Helpers.

SD-430

10:00 a.m.

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume oversight hearings on vocational educational programs administered by the Department of Education.

SD-628

OCTOBER 26

9:00 a.m.

Labor and Human Resources
Business meeting, to consider pending calendar business.

SD-430

9:30 a.m.

Governmental Affairs
Oversight of Government Management Subcommittee
To continue oversight hearings to review computer security in the Federal Government and the private sector.

SD-628

Labor and Human Resources
To hold hearings to review volunteer initiatives in health.

SD-430

OCTOBER 27

10:00 a.m.

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold oversight hearings on Federal arts policy.

SD-430

NOVEMBER 2

10:00 a.m.

Labor and Human Resources
To resume hearings to examine the quality of education.

SD-430

NOVEMBER 3

9:30 a.m.

Labor and Human Resources
Labor Subcommittee
To hold hearings on proposed legislation to revise certain provisions of the Federal Employees Compensation Act.

SD-430

NOVEMBER 9

10:00 a.m.

Labor and Human Resources
To resume hearings to examine the quality of education.

SD-430

NOVEMBER 15

10:00 a.m.

Labor and Human Resources
Aging Subcommittee
To hold hearings to redefine old age provisions contained in the Older Americans Act.

SD-430

NOVEMBER 16

9:00 a.m.

Labor and Human Resources
Business meeting, to consider pending calendar business.

SD-430

9:30 a.m.

Labor and Human Resources
To hold hearings to review the human resources impact of the Supreme Court's legislative veto decision.

SD-430

NOVEMBER 29

10:00 a.m.

Labor and Human Resources
Aging Subcommittee
To hold hearings on targeting scarce resources under the Older Americans Act.

SD-430

NOVEMBER 30

9:30 a.m.

Labor and Human Resources
Business meeting, to consider pending calendar business.

SD-430