

EXTENSIONS OF REMARKS

DAY-CARE CENTERS ROCKED BY RISING INSURANCE COSTS

HON. SALA BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mrs. BURTON of California. Mr. Speaker, our Nation's ability to provide safe, affordable, and appropriate child care has been in doubt for some time now, and it is a deepening crisis.

I would like to submit an article which describes one of the factors which is leading to the further erosion of our child care resources—insurance costs.

One of the effects of this trend will be to increase the percentage of day-care centers which operate "underground." This exposes the children of this Nation to an unacceptably high level of risk. I strongly urge my colleagues to examine this article as it will affect so many children and their families in each of our States.

The article follows:

[From Education Week, May 29, 1985]

DAY-CARE CENTERS ROCKED BY RISING INSURANCE COSTS: HIGH PREMIUMS, CANCELLED POLICIES MAY CLOSE MANY

(By Anne Bridgman)

Faced with what they say is their worst fear in memory and concerned with continuing reports of child abuse in day care centers, insurance companies are raising premiums of child-care providers and even cancelling their policies.

As policies come up for renewal, child-care experts say, providers are finding that insurance carriers have tripled and quadrupled the premiums and, in some cases, are cancelling policies altogether, forcing centers to close.

What many day-care experts characterize as a "very serious problem" in the industry comes at a time when mothers of young children are entering the workforce in unprecedented numbers. Almost half of the nation's estimated 12.5 million women aged 18 to 44 with children under 5 are classified by the Census Bureau as working mothers.

Within five years, the government estimates that 80 percent of children under 6 will have mothers in the workforce, many of whom will be hard pressed to find adequate and affordable day care.

SHOCK PERIOD

The first signs of the insurance problem appeared in January when reinsurance companies, or underwriters, began to back away from insuring child-care centers, according to Roger Neugebauer, publisher of *Child Care Information Exchange*, a newsletter for day-care managers. This spring and summer, Mr. Neugebauer said, day-care providers will experience "the awareness period, the shock period," when centers' insurance policies come up for renewal.

New centers will be unable to afford insurance, Mr. Neugebauer said. And centers that

can get insurance are likely to pass premium increases on the parents in increased fees, he said.

U.S. Representative George Miller, Democrat of California and chairman of the Select Committee on Children, Youth, and Families, is considering legislative options to provide some relief to providers.

"Insurance is primarily a matter regulated at the state level," Representative Miller said last week. "We are, however, exploring what might be most helpful to the child-care industry by reviewing other instances where the federal government came in to try to reduce the risk for insurers, and still enable critical services and property to be protected.

"We're looking at things like the federal flood-insurance program and the riot-reinsurance program. After we've completed this review, we will determine whether legislation is the best approach or whether there are other mechanisms that would be more appropriate."

"Insurance companies decided they were going to re-evaluate their risk-taking position in relation to their surpluses and the kind of risks they were going to write," he said.

"To oversimplify it," he continued "if you were in a position to ensure one house and somebody brought you a brick house and a wooden house, it's not hard to see which you'd insure."

Both Mr. Silverman and Mr. Rosenberg pointed out that rates for day-care facilities were artificially low for many years. "It's true that a 300-percent increase is a large increase, and that's probably higher than most industries would find," Mr. Rosenberg said, "but that's more a result of the liability insurance being undervalued in the past."

One of B.M.F.'s current underwriters, which has backed family-day care coverage for two years, is seeking to drop the coverage because of financial losses. The firm's two previous underwriters for family day care also incurred losses, Mr. Silverman said.

CHILD-ABUSE CHARGES

Compounding the insurance industry's own problems is the spate of child-abuse allegations involving day-care centers in the past year.

In fact, when day-care directors press insurance companies for an explanation of their cancellations, said Mr. Neugebauer, "the reason tends to be the sex-abuse cases."

In California, a survey of state-supported resource and referral agencies found that the reason most often cited by insurance companies for increasing premiums or canceling policies was the "adverse publicity" generated by child-abuse cases, according to Carol Stevenson, a staff attorney for the Child Care Law Center in San Francisco.

Although centers cannot be insured against a criminal act such as sexual abuse, civil lawsuits can be and have been brought against centers for negligent hiring or supervision practices. None of those has yet been resolved, Mr. Rosenberg said.

Insurance companies, Mr. Silverman said, "have determined because of all the adverse

publicity in the news media regarding the problems in the day-care community that child care is a very high-risk, high potential, volatile type of exposure."

James Smith, vice president for general liability for Fireman's Fund Insurance Company, said the incidence of child-abuse cases has been a factor in his company's decision to get out of the day-care field altogether.

"Day care centers from a general-liability standpoint have always been somewhat of a problem because of injuries that could arise out of playground equipment," said Mr. Smith, whose company writes approximately \$2 billion annually in premiums, some \$100,000 to \$200,000 of which has in the past been for day-care centers. But recent reports of child abuse in day-care centers, he said, have made it necessary to take "a very, very conservative approach" to insuring centers.

In attempting to control losses, it is possible to alter playground equipment to make it less dangerous, he said, but it is not possible to control the behavior of employees. "It would be a rare occasion where we'd write a new [day-care policy]," he said "And it would be a very rare occasion where we'd renew."

In addition, some insurance companies that do renew policies for day-care centers will explicitly exclude child abuse from coverage, child-care experts note.

Because most litigation involving child-abuse cases and day-care centers is still pending, insurance experts say there have not been any large awards paid to plaintiffs. But they note that, as a general pattern, the size of awards in liability cases is rising rapidly.

FISCAL BIND

The insurance industry's own financial difficulties are partially responsible for the squeeze on liability coverage for child-care centers.

"In round numbers, the industry lost about \$3 billion in its underwriting last year," explained Marc Rosenberg, vice president for federal affairs for the Insurance Information Institute, an industry-sponsored clearinghouse in Washington. "In other words, they paid out in claims about \$3 billion more than they took in in their combined premiums. It's their worst year in recent history."

Joel S. Silverman, executive vice president of B.M.F. Marketing, which insures day-care centers, family day-care homes, and foster parents in all 50 states, noted that 1984 was the worst year for the industry since 1906.

EFFECT ON CARE PROVIDERS

The cancellations and raised insurance rates, contended, Mr. Neugebauer, are likely to severely harm the smaller, "mom-and-pop" segment of the day-care industry.

"It really hits hard in day care because we don't have other choices [for coverage]," he said. "Organizationally day-care centers are really independent. They're not part of a larger organization; they don't have anything to fall back on."

Ms. Stevenson said that in California, where B.M.F. Marketing provides most of the coverage for family day care, its policy

covering most care providers is underwritten only through the end of June.

"If they don't get another underwriter," she said, "a huge number of family day-care providers would have their insurance cancelled."

Mr. Silverman of B.M.F., which is a subsidiary of the insurance firm of Bayly, Martin, and Fay International, said the day-care division has not cancelled any policies to date but may have to do so if another underwriter is not found.

CONSIDERING SOLUTIONS

Day-care experts have considered borrowing solutions from other industries. For example, Mr. Neugebauer pointed out, physicians with insurance problems have succeeded in separating general-liability policies from high-risk, or malpractice, policies.

"If we could separate out what the high-risk issues are, which tend to be the abuse issues, from the low-risk, such as a child tripping on a rug, we might be able to provide some sense to the policy, so we can get some general insurance coverage," Mr. Neugebauer said.

Mr. Rosenberg of the Insurance Information Institute said that because insurance companies have begun to reassess which premiums are profitable and which are not, the day-care industry should devise standards by which to measure risk.

Ms. Stevenson, pointing out that solutions will have to be devised on a state-by-state basis, said that they should address the distinct issues of access to insurance and the affordability of premiums.

"There might be some legislative solutions regarding access that spread the risk around to different carriers" similar to California's all-risk automobile-insurance plan, which divides high-risk individuals among a number of insurers.

Another option being considered is self-insurance. Under such a plan, all day-care providers would form a large pool and raise funds to cover expected liabilities within the industry. Such a proposition, Mr. Neugebauer and others acknowledged, would require that all participating centers put up funds to start the insurance program.

SINGLE ENTITY

A concept that has been attempted on a limited scale for the National Association for the Education of Young Children is to bind all day-care centers into a single national association that buys insurance coverage from one carrier, but even that program apparently has fallen victim to publicity about child abuse in day-care centers.

N.A.E.Y.C., a 47,000-member organization representing day-care providers, began offering liability insurance to its membership in 1980, according to Marilyn Smith, executive director of the association. A center can obtain coverage through the association if at least one staff member is an N.A.E.Y.C. member. Ms. Smith said she did not know how many centers the association insures.

The association is currently negotiating with a new insurer because the original insurance company began to exclude certain states from liability coverage, starting with California and Texas, despite the fact that N.A.E.Y.C. had never processed a claim on the policy, Ms. Smith said.

Despite months of negotiations with the new insurer, Market Dyne, Ms. Smith said the firm has experienced "cold feet" throughout the process, "explicitly because of the fear that there's going to be a lot of potential exposure" should a child-abuse case come to light. "They think the issue will put ideas in people's heads to sue."

Even after N.A.E.Y.C. agreed to exclude sexual abuse from liability coverage, the association could not get the company to put the program on the market, according to Ms. Smith. And attempts by N.A.E.Y.C. to contact the firm's president have been unsuccessful, she said.

"I'm afraid we've only seen the tip of the iceberg," Ms. Smith said. "We're going to see much more of this panic." ●

THE OBSTETRIC CARE INFORMATION ACT

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. BIAGGI. Mr. Speaker, today I am reintroducing legislation that would provide all women of childbearing age the right to have access to information about obstetric care that could have potentially harmful effects upon their health as well as the health of their children.

This bill, the Obstetric Care Information Act, requires that, as a condition of receipt of maternal and child health, funds provided under title V of the Social Security Act, each State must assure that, one, women have access to clear and understandable information about the obstetrical care that has been provided to them and, two, women be informed of the risks associated with the use of obstetric drugs and devices before they are used and that they consent to such use. The bill also requires the Food and Drug Administration to disseminate information on potentially harmful obstetric drugs and devices for pregnant women and their children.

Mr. Speaker, obstetricians are now using a wide range of obstetric drugs before and during the birth of children. The use of these drugs has steadily increased since the end of World War II. Yet, of the dozens of drugs used today, only a few have been approved by the FDA as safe for use during pregnancy. To compound the problem, there is evidence to indicate that there is considerable confusion among trained physicians and nurses as to those drugs that are classified as "safe" by the FDA. As the use of these drugs has proliferated, many valid questions have been raised as to the necessity of their use and the risks of administering the drugs. There have been a number of cases of mental disability in children whose mothers had been treated with certain obstetric drugs. Recently, concern has developed over the link between obstetric drugs and jaundice in newborns, a potentially fatal condition. These are some who are beginning to explore the relationship of obstetrical drug use and the perplexing mystery of crib death. We have no way of knowing where these concerns will lead us, but it is clear that the level of concern is

not unwarranted. It is true that in many cases, the use of certain drugs is necessary during pregnancy. However, the potential risk of taking the drugs to both the mother and the newborn should warrant caution and careful consideration on the part of parents and doctors alike.

The General Accounting Office examined this problem and issued a report in 1979 which revealed that Federal attention to current obstetrical drug practices has been limited. The GAO reported that while a number of studies on obstetrical drug use had been done, only one dealt with the effects of such use on the Child. Even this study was narrowly structured. It focused on the drug oxytocin and the fetal/infant effects of elective induction of labor. According to the GAO, no reports of studies could be found which examined the long-term effects on children of the use of obstetric drugs. Another disturbing element of the GAO report was that since the 1960's, several obstetric drugs, such as sparteine sulfate, has been reported as having adverse effects on newborns. Yet, it was not until 1979 that action was taken by the FDA to remove this drug from the market.

The GAO report also highlighted the case of a child born in 1951, that was delivered after labor was electively induced by obstetric drugs. The child suffered brain damage which was probably caused by injected pitocin used during the elective induction of labor. In the mid-1960's, the parent of the child began an effort to call attention to this problem. The effort was largely futile. However, in 1977, the parent sent two letters of complaint to the FDA which generated action. The FDA convened its Fertility and Maternal Health Drugs Advisory Committee to consider the matter. After almost 1½ years of deliberations and public hearings, the committee recommended that the drugs pitocin and syntocinon be labeled to indicate the possible harmful effects of the drugs. The recommendation was, in fact, implemented.

The cases I have briefly discussed clearly illustrate the problem. It takes the FDA inordinate amounts of time to consider and conclude action on these matters, and in the end, the significance of the overall problem is lost. The public remains largely uninformed of the potential dangers in the widespread use of obstetric drugs, devices, and procedures. Warning labels, while well intentioned, do little to alleviate the situation and are clearly inadequate in light of the gravity of the problem. My bill goes directly to the heart of the situation. It will ensure that women are provided with more comprehensive information on the side effects, risks, contraindications,

and effectiveness of obstetric drugs, devices, and procedures to enable them to make informed and intelligent choices about their use. Once this information becomes available, many parents will realize that certain obstetric procedures and drugs are unnecessary and there are alternatives available to them that will assure a healthy and risk-free pregnancy.

For the benefit of my colleagues, I am inserting the text of the Obstetric Care Information Act into the RECORD, and I urge them to join me in supporting this important and much needed legislative initiative.

H.P. —

A bill to amend title V of the Social Security Act to require States to provide women during and after pregnancy with access to their medical records and current information on obstetrical procedures and to amend the Federal Food, Drug, and Cosmetic Act to require the dissemination of information on the effects and risks of drugs and devices on the health of pregnant and parturient women and of prospective and developing children

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Obstetric Care Information Act".

ACCESS OF PREGNANT AND POST PARTUM WOMEN TO THEIR (AND THEIR INFANTS') MEDICAL RECORDS AND PROVISION OF CURRENT INFORMATION REGARDING OBSTETRICALLY-RELATED DRUGS AND PROCEDURES

SEC. 2. Section 505(2) of the Social Security Act (42 U.S.C. 705(2)) is amended (1) by striking out "and" at the end of subparagraph (D), (2) by striking out the period at the end of subparagraph (E) and inserting in lieu thereof a semicolon, and (3) by inserting after subparagraph (E) the following new subparagraphs:

"(F) the State has a law under which any health care practitioner or provider of services (as defined in section 1861(u)) who furnished health services in the State to a woman during pregnancy or parturition must provide the woman, upon her request, with—

"(i) the opportunity to inspect and copy any medical records which the practitioner or provider maintains relating to the condition or treatment of the woman and her infant during the pregnancy, parturition, and post partum, and

"(ii) a reasonable explanation of any portion of such medical record which is not comprehensible to a layperson,

and under which there are appropriate procedures (as determined by the Secretary) to ensure the provision of the opportunity for inspection and explanation specified in clause (i) and (ii); and

"(G) the State has a law under which any health care practitioner or provider of services (as defined in section 1861(u)) in the State who performs a medical procedure on, or administers a drug or medical device to, a woman during pregnancy or parturition must (except under emergency and other extraordinary circumstance established by the Secretary)—

"(i) inform the woman, before performing the procedure or administering the drug or device, of the side effects, risks, contraindications, and effectiveness, with respect to the health of the woman and of her prospective children, of the procedure, of not performing the procedure or administering the drug or device, and of performing other medically recognized procedures (and of administering other drugs or devices) instead of the procedure, drug, or device involved, and

"(ii) after being so informed, receive her consent to the performance of the procedure or administration of the drug or device."

(b)(1) Except as otherwise provided in paragraph (2), the amendments made by the subsection (a) shall apply to allotments to States for fiscal years beginning with fiscal year 1986.

(2) In the case of any State which the Secretary of Health and Human Services determines requires State legislation in order to provide the assurances described in subparagraphs (F) and (G) of section 505(2) of the Social Security Act, such assurances shall not be required until the first fiscal year beginning after the date of the first regular session of the State legislature that begins after the date of the enactment of this Act.

INFORMATION FOR PREGNANT WOMEN ON SIDE EFFECTS, RISKS, CONTRAINDICATIONS, AND EFFECTIVENESS OF DRUGS AND DEVICES

SEC. 3. (a) Section 502 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352) is amended by adding after paragraph (t) the following new paragraph:

"(u)(1) If it is a drug or device distributed or offered for sale in any State and intended for the use of any woman during pregnancy or parturition, unless its label or a written insert accompanying the drug bears an explanation, meeting guidelines established by the Secretary under subparagraph (2), of the side effects, risks, contraindications, and effectiveness of the drug or device on the health of women during pregnancy and parturition and on the health of prospective and developing children.

"(2) The Secretary shall, by regulation, establish guidelines with respect to the explanation of the side effects, risks, contraindications, and effectiveness of drugs and devices intended for the use of women during pregnancy or parturition."

(b)(1) Subparagraph (l) of section 503(u) of the Federal Food, Drug, and Cosmetic Act (added by subsection (a) of this section) shall only apply to drugs distributed in commerce on or after the first day of the sixth month beginning after the date of the enactment of this Act.

(2) The Secretary of Health and Human Services shall establish the guidelines required under section 503(u)(2) of the Federal Food, Drug, and Cosmetic Act (added by subsection (a) of this section) not later than the first day of the third month beginning after the date of the enactment of this Act.●

COMMENCEMENT ADDRESS BY
JOHN C. QUINN

HON. FERNAND J. ST GERMAIN

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. ST GERMAIN. Mr. Speaker, John C. Quinn, editor of USA Today and executive vice president of Gannett Co., Inc., recently gave the com-

mencement address at his alma mater, Providence College, in Providence, R.I.

Mr. Speaker, I commend his splendid thought-provoking remarks as they reflect the tremendous changes that have transpired in the field of communication along with the thinking of our youth today.

Mr. Speaker, at this point, I would encourage my colleagues to read this address; it is food for thought.

COMMENCEMENT ADDRESS BY JOHN C. QUINN
AT PROVIDENCE COLLEGE

To our reverend and distinguished guests and to all who are part of the Class of 1985, I thank you for allowing me to share in this graduation day.

I need not tell you how grateful I am or how proud my wife is or how well-deserved my mother thinks this degree is. But I have told you anyway and I thank you again very much.

Well, Class of 1985, you are almost there.

You are within minutes of your milestone . . . of graduation in the great tradition and personal triumph of a Dominican education; . . . of liberation from trials and tortures of the Order of Preachers and their faculty tormentors; . . . of recollection of your undergraduate days past, of the good and the bad, the glad and the sad that now flash through your mind; . . . of expectations of your parents that you are now prepared to save the world, or at least find a job by fall; . . . and, of course, you are within minutes of fulfilling the satisfaction of all in this Civic Center that you are the cream of your new generation, that you are equipped with the centuries-tested armour of a Dominican education and that you are indeed ready to take your turn at making this a better world.

Why, then, with four years of faculty wit and wisdom ringing in your heads must you endure yet another lecture, one from an ink-stained graduate of 40 years ago? Darned if I know. Even more surprised would be my P.C. English professor. My beloved Rev. John T. McGregor, O.P., wrote on my first composition:

"You must be in the wrong place. This is the worst piece of writing it has been my misfortune to grade. I hope your livelihood never depends upon the written word."

That should tell either what is wrong with newspaper editors today or what is right about a Dominican education. The latter thesis, of course, is the more attractive, so let us explore from three perspectives what Providence College has done for—and to—all of us, from the Class of 1945 to the Class of 1985.

Providence College Perspective No. 1: On campus.

As an old grad, your 1985 commencement speaker recalls a different Providence College. The 1945 model was Hawkins Hall; the only other building—Aquinas Hall—was on temporary military duty . . . a P.C. where, if you can imagine it, there was neither hockey nor basketball team . . . where there was no Louie's Bar or Garden Cafe . . . where the coeducational environment consisted of catching the Smith Street trolley car with a Chapin Hospital nurse . . . and, alas, one could graduate without ever taking Dr. Fortin's ever popular Western Civilization.

But P.C. '85 is changing, too.

The most distinguished member of the Class of 85—and today the most applauded member—the very Rev. Thomas R. Peter-

son, O.P., will finally do his last thing for the last time as president, leaving behind a remarkable record of growth, like the Peterson Center; a remarkable record of progress, like coeducation; a remarkable record of leadership, as in his own words, "The habit of meeting new horizons has resulted in the habit of success" . . . you can leave to the juniors the problems of breaking in the new President, the Rev. John F. Cunningham, O.P., . . . and, best of all, you are becoming alumni just in time to be invited to contribute generously to the \$25 million capital campaign.

So it is—1945 or 1985—that the Providence College spirit, like the 700-year-old white Dominican habit that represents it, continues to look new as the years roll by, as the size grows, as the teaching and the preaching remain first class.

Providence College Perspective No. 2: In the working world.

Your old grad speaker had the opportunity to blend the P.C. teaching in history, literature, philosophy—even if it was not called Western Civ—with a career in journalism that has seen this nation move into the bright but sometimes blinding Age of Information.

You, the Class of 1985, will be the leading edge in deciding whether this Age of Information does fulfill its potential to enrich our understanding and unity or whether it simply prolongs the clamor of conflict.

The challenges are great; the opportunities, still greater.

The new technology of communication brings to your generation a remarkable array of tools of understanding—from the durability and detail of the printed word in newspapers and magazines to the instant drama of electronic coverage on television and radio of the endless data banks of the computer world—all ever more readily available at your doorstep or at the turn of a dial or at the punch of a computer button.

That technology brings new meaning, new strength, new value to our precious First Amendment freedoms of speech, of religion, of assembly and of the press. Yet as this blend of principles and technology grows stronger, so do the threats to it.

Do not be misled by those who pursue privileges for a few at the expense of freedom for all.

Be ever alert to those who nibble away at the practices of freedom in hopes of devouring the whole principle of freedom . . . by courts and legislatures that would serve individual considerations by curtailing the fundamental freedoms on which our unique society was founded; . . . by politicians and pontificators who would substitute healthy diversity and debate with their own special dictatorial prejudices; . . . by the demigods of deviousness who would blow a smoke-screen over the basic, if not perfect, exercise of democracy while they sneak off with our right to know and ultimately with our ability to understand; . . . and, yes, by the press itself, which at times allows its personality to intrude upon its professionalism, lets its practices get in the way of its principles, forgets that it is the custodian of First Amendment freedoms, not its sole proprietor. Too often the press proclaims vigorously what it must do, but fails miserably to explain why it must do it. A freedom misunderstood is a freedom soon lost.

The defense against these threats to our freedoms rests with all of us.

For its part, the press must nourish its believability and its acceptability while still doing its job; it must match its exercise of

the public's right to know with the reality of the public's need to understand; it must deliver the free flow of information effectively enough to communicate what the people want to know and to have them accept when they need to know.

For its part, the public must insist that it get full, fair and accurate information; it must recognize that a free world cannot and should not be a unanimous world; it must be ready to encourage lively debate, to recognize the virtues of diversity and to reach for fuller understanding.

Providence College Perspective No. 3: In minds and souls.

Your old grad commencement speaker today brings to you living testimony that your survival and, hopefully, your success will rely not on what you know today, or ever, but on how successfully you find what you need to know in the wisdom of others.

Indeed, that disaster of Father McGregor's English Comp class did not survive in the world of words by becoming a literary genius, but by learning at the Dominican knee the virtue of taking guidance from others and thinking for yourself.

You, the Class of 1985, share in that learning from your Dominican education, from your years in the recent P.C. environment and from the many voices that will speak to you, too, in the years to come—sometimes at your behest, sometimes uninvited and even unappreciated, but always worth hearing and maybe heeding.

So let us conclude by listening to the wisdom of voices echoing among us today.

On goals, the words of St. Dominic: "That man who governs his passions is master of the world. We must either rule them or be ruled by them. It is better to be the hammer than the anvil."

On perseverance, the words of Fr. McGregor: "Quinn, you are going to pass this course with a good mark not because you are so smart, but because you are so stubborn; you wouldn't let me intimidate you. Don't let anyone else ever intimidate you, either."

On greatness, the words of Coach Joe Mullaney, who gave us all a splendid lesson this year in thinking with your brains, not your glands in his retirement statement: "This decision had to be made at this time for the benefit of Providence College."

On understanding, the words of St. Thomas Aquinas: "Three things are necessary for the salvation of man:

"To know what he ought to believe; to know what he ought to desire; and to know what he ought to do."

On spirit, the words of our departing president, Fr. Peterson: "Learn early to take your laughter seriously . . . If you as graduates have the proper understanding and respect for laughter, and take laughter seriously, you will be prepared to solve most of the problems you will encounter on the journey you begin this afternoon."

On style, the words of our incoming president, Fr. Cunningham: "We are not afraid of simple words like goodness, justice, morality, kindness and mercy."

On affection, the words of my mother who sits among us today: "Don't ever go to bed mad; never go through a day with a lingering regret."

And finally, the simple words of your commencement speaker: Be neither intimidated nor intransigent; be smart in heeding the wisdom of others, be courageous in thinking for yourself, be honest in all that you do.

May your 40 years and more ahead also be filled with the spirit of your Dominican edu-

cation, with the guidance of a devoted family, by the patience of a loving spouse, by the blessings of the Lord.

Godspeed to you all forever and ever, Amen.●

TRIBUTE TO SOPHIE WEINER— COMMITTED TO THE ELDERLY

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. BIAGGI. Mr. Speaker, I rise today to pay a special tribute to a very special person in my congressional district—Ms. Sophie Weiner, retiring borough director of the Jewish Association for Services for the Aged in the Bronx.

For the past 17 years, we in the Bronx community have shared the privilege of having Sophie working in our midst. Although Sophie does not originally hail from the Bronx, she has devoted most of her working life to the elderly in our community and has made the Bronx her home. Through her work with the Jewish Association for Services for the Aged [JASA], many senior citizens have been awarded the dignity and independence they deserve. I have had the pleasure of working closely with JASA in my capacity not only as the Representative from the 19th District of New York, but also in my role as the chairman of the Subcommittee on Human Services of the House Select Committee on Aging. JASA has always been in the forefront in confronting issues that affect our Nation's elderly and our community's special senior citizen needs and concerns. Because of people like Sophie, they have become a successful, effective organization and lobbying force.

I would like to share with you a little of the history of Sophie Weiner's life and career. She earned her master's degree from Columbia School of Social Work in 1950 and since that time has worked for various agencies, including Beth Abraham Hospital in the Bronx, before joining the Bronx-based Henrietta and Stuart Hirschman Coordinating Committee for Services for the Aged in 1965. After a brief hiatus, she returned to the Hirschman Services in 1968 as case-work supervisor from which position she became a charter member of the JASA staff when Hirschman was absorbed by JASA in January 1969. Two years later, she assumed the office of director of JASA's Bronx district, a position she has filled with energy and expertise ever since.

During her tenure in the Bronx, Ms. Weiner was responsible for developing a number of new and creative programs to assist elderly residents of the borough. These include:

The Mobile Home Service and Transportation Unit for Isolated Elderly Needy and Impaired People in Disadvantaged Neighborhoods in the Bronx, which operated from May 1972 to December 1973;

Project SPAN, in which college students visited elderly Bronx residents and helped them with household chores, 1982-85;

A cooperative program between JASA and Montefiore Hospital's emergency room, in which JASA arranged for immediate home care for elderly patients as they return home from the emergency room;

And, the Mobile Geriatric Crisis Intervention Unit, which operated as a demonstration project from 1976 to 1979. Ms. Weiner was responsible for the revival of this unit in May 1984 as the present Project Crisis, which is funded by the NYC Department of Mental Health, Mental Retardation and Alcoholism Services. Under Ms. Weiner's leadership, these programs have reached the most isolated and impaired elderly of the Bronx.

Sophie Weiner has been an essential element in the "aging network" that provides services to the aged in the Bronx. Her membership on local councils and committees and active participation in numerous conferences has earned her the respect and admiration of the entire community. She is an outstanding woman, who has assumed her various positions with pride, and this pride has been evident in all her undertakings. I depend upon Sophie, as we all do in the Bronx, and I know that she has always been there, ready to assist me, advise me, and support the causes we both find so very important.

It is not possible for one individual to be part of any organization for 17 years and not have some profound effect on it. Sophie Weiner's retirement comes at a time when the fruit of her labor is paying off—through her guidance, an entire generation of JASA workers and leaders have been trained and inspired. Through her special talents, hundreds of elderly people are living more comfortably and through her warm and caring personality, a sense of camaraderie and love has been developed throughout the JASA community.

I know that Sophie's presence as director will be missed as JASA strives on to meet its set goals. However, Sophie's presence will always be felt no matter how near or far she is, and at this time, I would like to salute Sophie for a job well done and wish her much continued personal happiness and success in all future endeavors.●

LATIN AMERICA AND ITS FOREIGN DEBT, THE PROBLEM CONTINUES

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. BARNES. Mr. Speaker, 2 years ago the whole world was reacting to what then seemed to be an immediate financial crisis of unforeseen proportions resulting from Latin America's foreign debt. Since then, most countries have been able to reschedule their debts and have signed agreements with the International Monetary Fund. But although the crisis seems to have subsided, the long-term problem continues. In a letter to President Reagan, 11 Presidents from Latin America and the Caribbean warned:

It would be a serious mistake to believe that the problem of the foreign debt has been overcome or that it will have to correct itself automatically through the economic dynamics of the industrialized countries, both asymmetric and uncertain, or by the mere continuation of this adjustment process.

In a letter they also urge the creation of new mechanisms to deal with the problem. I would like to share this letter with my colleagues because it provides a useful perspective on the concerns of most of Latin America and the Caribbean.

The letter follows:

[Translation—Spanish]

CONGRESSIONAL RESEARCH SERVICE,
THE LIBRARY OF CONGRESS,
Washington, DC.

[Text of the letter sent to the President of the United States of America, by the President of Uruguay on behalf of the Presidents of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Peru, the Dominican Republic, Venezuela, and Uruguay]

MONTEVIDEO, April 26, 1985.

YOUR EXCELLENCY: I have the great honor of addressing Your Excellency, in the name of the Presidents of Argentina, Bolivia, Brazil, Colombia, Chile, Ecuador, Mexico, Peru, the Dominican Republic, Venezuela, and in my own name, on the eve of a new summit conference of seven Western industrialized countries, which is to take place in Bonn this May.

Already on previous occasions, we Latin American Chiefs of State have expressed to the political leaders of the industrialized world our concerns over the acute problems that the crisis has posed for Latin America and in particular for the situation and perspectives of the foreign debt, a subject that transcends the boundaries of our particular interests to converge with those of the entire international community.

The relative improvement of some indicators of the Latin American economy in 1984 was manifested insufficiently and unequally; it was the result of the partial recovery in various industrialized countries and, above all, of the responsibility and internal efforts of the Latin Americans themselves.

We wish to point out that the adjustment */?* carried out by our countries, the most

severe of the last 50 years, which has so far prevented the arrival of situations of great danger for the international financial system, is being carried out fundamentally at the expense of a drastic shrinking of the standards of living of our peoples, with grave economic, social, and political consequences. Although in the initial period of the crisis there has been a clear co-responsibility of the financial agents and the international economic system itself, such adjustments have been borne exclusively by the debtor countries.

It would be a serious mistake to believe that the problem of the foreign debt has been overcome or that it will have to correct itself automatically through the economic dynamics of the industrialized countries, both asymmetric and uncertain, or by the mere continuation of this adjustment process. For this reason, it will also be highly dangerous for a hasty evaluation of the facts to lead to a situation of self-complacency or to overlook the fragility and insufficiencies of the achievements attained.

In effect, as Your Excellency is aware, in the international economy high real interest rates, a dramatic depression of many of the prices of our basic export products, difficulties in access to foreign markets, and dangerous accentuations of trade protectionism persist. The resumption of new and additional flows of public and private capital is uncertain and hardly encouraging, and these flows continue at a low and insufficient level that does not compensate for the transfers of resources that leave Latin America for abroad, in particular those corresponding to the foreign debt service. These facts affect our ability to pay and force us to restrict imports, which accentuates the recession and weakens the domestic formation of capital.

Such considerations increase in meaning when one examines, in a long-term projection, the high transfers that must be carried out by the region through the debt service if the current market rates are maintained. In this context and despite our expectations, we must point out that in the recent deliberations of the Interim Committee and the Development Committee of the International Monetary Fund and the World Bank, no significant progress was recorded in the statement of problems presented by the developing countries, in particular those related to foreign indebtedness and the interrelated questions of financing and trade.

In addition, the initiative on a new round of trade negotiations announced, as well as the steps for a reform of the international monetary system, which we consider urgent and a priority, are being outlined in accordance with criteria of negotiation that in some cases exclude and in others do not ensure adequate participation of the developing countries. It seems fundamental to us that the advances in the field of commercial liberation be accompanied by advances in the monetary and financial fields, in virtue of the clear interrelation existing between both concepts.

Without evading the responsibilities that each country has assumed and will continue to assume in its processes of adjustment and economic realignment including the individual operations of renegotiation, we are convinced that the lack of support for our development efforts reduces the effective contribution that our economies can and wish to carry out in the dynamics of trade and the world economy. The decision of the region confirmed in the facts to face their foreign commitments should be supported

in the sustained increase in their economies and not in the persistent reduction of the domestic standards of living.

It is for that reason that an integral focus of the problem of the debt is urgently required, placing it in the context of the fundamental goal, which is the acceleration of the economic development and social progress processes. For these ends, political decisions that make it possible to overcome the obstacles that persist today and which distribute inequitably the sacrifices of these adjustment processes are required. Such political decisions will only come about through mechanisms of dialogue and concertation of efforts at the highest level, which transform into effective realities the will so often expressed to work collectively for a fairer international system.

The objective of the dialogue and the concertation that we propose is the effective advancement toward permanent and lasting solutions. It is necessary to design actions of cooperation that go beyond those of the alleviation of the indebtedness derived from the operations of renegotiation and which will allow through complementary measures in the fields of the debt, trade and financing, a rapid restoration of conditions for a sustained growth in the developing countries.

Together with calling attention to the need for political dialogue with a sense of responsibility and with an eminently constructive attitude, we want to share our concern over the risks to all of the international economy from the lack of response and the continuation of situations that make domestic adjustments more onerous, and if they persist they could create unpredictable situations for the entire international community.

The social and political consequences of this state of matters for our climate of internal coexistence are not hidden from Your Excellency. But such consequences become much more dramatic when they can turn into serious obstacles for the stability of the international political system and the strengthening and consolidation of our democracies, especially of those that have arisen after costly processes of change spurred by the will of our peoples and accompanied by the solidarity of friendly countries.

In the assurance that these arguments will contribute to a realistic and pragmatic vision of the problems of the world economy in relation to the situation of our countries, I use this opportunity to reiterate to Your Excellency the expressions of my best wishes.

(Translated by Deanna Hammond, CRS Language Services, May 22, 1985.)

THE FARMERS' VIEW OF FEDERAL FARM POLICY

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. GUNDERSON. Mr. Speaker, "The Plight of the American Farmer"—it's been a while now since we've heard it on the evening news or since we've read it on page 1 of our major newspapers. But the fact is, Mr. Speaker, that American agriculture is truly at a crossroads, and unless we are successful in developing sound ag-

riculture policy in the 1985 farm bill and in reducing the Federal deficit, we will be reading those headlines again.

As we develop those policies and make those reductions, we in Congress must answer many difficult questions. What is the proper role of the Federal Government in farm policy? Ought we spend more money on agriculture in a time of soaring Federal deficits? Should there be limits on spending on individual farmers?

How we answer these questions will determine the role we play in the world for decades to come, for history shows that a nation remains strong only as long as it can feed its people.

Mr. Speaker, earlier this year I distributed a comprehensive farm questionnaire throughout the rural areas of Wisconsin's Third District to seek the views of our farmers on these important 1985 farm bill and deficit reduction issues.

Of those farmers responding, an overwhelming 80 percent said the role of the farm bill should be to preserve the family farm structure of agriculture. At the same time, our farmers are willing to do their share in deficit reduction. The majority said that no programs can be overlooked in deficit reduction, and that reductions in agriculture programs should be made as long as all programs have a fair share in spending cuts.

In regards to the future of dairy policy, most respondents feel the diversion program should be reinstated, and 77 percent favor extending the current dairy promotion assessment of \$0.15/hundredweight beyond this September.

Asked which tax credits or deductions they would be willing to give up to reduce the deficit, our farmers are most willing to give up accelerated depreciation followed by investment tax credit. Of the farmers responding, 72 percent said that only farmers who can show they are farming for profit—and not for a tax loss—should be allowed to deduct a net loss for farming.

In the area of farm credit, most believe the Farmers Home Administration should limit its resources to loan guarantees, and that future FmHA loans should be targeted to farm related activities rather than community projects.

Mr. Speaker, for the benefit of all my colleagues I would like to share here the complete results of my farm questionnaire:

1985 AGRICULTURE QUESTIONNAIRE

(All answers are from those actively engaged in farming)

	Per- cent
1. Which of the following do you believe has the greatest impact on farmers' net income?	
A. The budget deficit.....	28
B. The farm bill.....	31
C. Monetary policy.....	9
D. Trade policy.....	32

1985 AGRICULTURE QUESTIONNAIRE—Continued

(All answers are from those actively engaged in farming)

	Per- cent
2. What should be the role of the Farm Bill? (You may pick more than one answer.)	
A. Guarantee an adequate supply of food to consumers.....	43
B. Allow only the most efficient farmers to survive.....	14
C. Provide a "safety net" for all farmers.....	15
D. Preserve the family farm structure of agriculture.....	80
3. As a general statement, which of the following most closely describes your attitude toward the federal government's agricultural programs (e.g., price support programs, commodity loan programs, and the like)?	
A. We ought to have a totally free market with no government programs whatsoever.....	20
B. While there is a proper place for government programs in agriculture, we ought to be more market-oriented than we are today.....	55
C. The current government agricultural programs are appropriate.....	1
D. Government agricultural programs should be directed toward promoting supply management efforts.....	10
E. The Government ought to establish a strict system of bases and quotas which limit production to only that which can be used domestically and can be immediately exported.....	14
4. Many suggest that supply management (i.e., a limitation on how much an individual farmer may produce) is the solution to the problem of low commodity prices. How do you feel about the use of supply management?	
A. Every farmer should have limitations placed on his production.....	19
B. We should encourage farmers to voluntarily reduce production (like the recent dairy diversion program).....	49
C. It should not even be considered.....	32
5. Would you be willing to accept mandatory production controls in exchange for higher commodity support prices?	
A. Yes.....	53
B. No.....	45
6. Many different suggestions have been made about the future of the dairy program. Which of the following most closely describes your preference?	
A. We ought to maintain the price support/purchase program at the current price support level (\$12.10/cwt for 3.67 milk, that may become \$11.60/cwt on July 1).....	10
B. We ought to reinstate the diversion program for two years with the same terms and conditions that were previously used.....	28
C. We ought to go to a dairy specific parity that includes a supply/demand adjuster and a standby system of supply management.....	22
D. We ought to switch to a target price/deficiency payment program that provides direct payments to producers and limits individual benefits.....	15
E. We ought to eliminate the dairy price support program.....	24
7. Presently, there is no limitation on the amount of price support payments an individual dairy farmer can receive under the federal dairy program. Should an individual payment limitation be established for dairy program benefits?	
A. Yes.....	81
B. No.....	16
8. In the last year, national consumption of dairy products has increased by 2.4 percent, nearly twice the normal annual increase. Should the national \$15/hundredweight assessment for dairy products research and promotion be continued past September, 1985?	
A. Yes.....	77
B. No.....	23
9. Currently, there are almost 50 different federal milk marketing orders in operation in the United States. What should be the future of our milk marketing order system?	
A. It should be continued in its present form.....	8
B. It should be condensed into four or five orders to create a simpler, more uniform system.....	53
C. We should do away with all milk marketing orders.....	39
10. Current target price programs for wheat, feed grains, and other crops limit payments to \$50,000/individual. How do you feel about that limitation?	
A. It is too high.....	49
B. It is just right.....	31
C. It is too low.....	2
D. It ought to be eliminated.....	18
11. There are those who suggest that we will continue to have significant commodity surpluses so long as the loan rates remain at current levels. In response, they recommend lowering the loan rate for a particular commodity to 75 percent of the target price for that commodity. Do you support that action?	
A. Yes, ASCS commodity loan rates should be no more than 75 percent of the target price for a particular commodity.....	62
B. No, current ASCS commodity loan rates should be preserved.....	38
12. The federal tobacco program is a system of acreage allotments and a producer-financed commodity loan program intended to be operated at "no net cost" to the taxpayers. Legislation has been introduced again to eliminate the tobacco program. How do you feel about this program?	
A. The tobacco program should be continued.....	35
B. The tobacco program should be eliminated.....	65
13. In the last few years, imports of Canadian pork have increased greatly. A recent International Trade Commission study found evidence of subsidies paid by the Canadian government to its pork producers. What should the U.S. government do in response?	
A. Nothing.....	5
B. Put a countervailing duty (i.e., a per unit charge) on Canadian pork imports entering the U.S. equal to the subsidy paid by the Canadian Government to its pork producers.....	63
C. Limit Canadian pork imports through quotas.....	28
D. Provide similar cash subsidies to U.S. pork producers.....	4
14. There are many different ideas on how to expand exports of U.S. agricultural products. Which of the following suggestions do you support? (You may choose more than one answer.)	

1985 AGRICULTURE QUESTIONNAIRE—Continued

(All answers are from those actively engaged in farming)

	Per- cent
A. Expand the use of producer-financed export promotion through commodity check-offs.....	28
B. Expand taxpayer-financed international promotion of U.S. ag products.....	16
C. Create an "export-PIK" program where countries that purchase U.S. farm goods are rewarded with a "bonus" of surplus CCC commodities.....	42
D. Subsidize U.S. exports to the extent that the strong U.S. dollar makes them more expensive.....	18
E. Eliminate the cargo preference laws.....	20
F. Increase federal spending on the PL-480 (Food for Peace) program (current spending level is about \$1.5 billion).....	27
15. As a general statement, which of the following best describes your view of the Federal government's involvement in farm credit through the Farmers Home Administration?	
A. The Federal government should not be in the credit business and ought to leave farm credit to the Farm Credit System and other private lenders.....	34
B. While there is a role for the government in the farm credit issue, it should be limited to guaranteeing the loans of the Farm Credit System and other private lenders.....	39
C. The current level of Federal direct lending and loan guarantees is fine.....	11
D. The government should increase its direct lending and loan guarantee activity so that no farmer is denied access to farm credit during the current credit crunch.....	14
E. The government has a responsibility to provide as much credit as is necessary to keep farmers in business regardless of cash flow or other considerations.....	2
16. Currently, the Farmers Home Administration offers loans in all of the following areas. Which, if any, of the following loans should not be offered by the FmHA in the future? (You may choose more than one answer.)	
A. Farm ownership.....	18
B. Farm operating.....	21
C. Rural housing.....	37
D. Sewer and water.....	52
E. Community facility.....	66
F. Business and industry.....	62
17. Present law permits FmHA to guarantee up to \$400,000 in commercial operating loans or make up to \$200,000 in direct operating loans to each individual producer. How do you feel about these limitations?	
A. They are too low.....	4
B. They are just right.....	23
C. They are too high.....	73
18. The use of advance ASCS commodity loans on 50 percent of a farmer's anticipated harvest to meet the immediate credit needs of that farmer has been under consideration. How do you feel about this proposal?	
A. Advance commodity loans should be made available to all farmers.....	19
B. Advance commodity loans should be made available only to those producers who have been unable to obtain sufficient operating credit for the current crop year and can show that, with these additional funds, they will be able to complete the crop year.....	30
C. ASCS commodity loans are a marketing tool and ought not be used for credit purposes.....	51
19. Is there a specific period of time within which a FmHA borrower should be expected to "graduate" from agricultural loans and move into the commercial lending market?	
A. Yes—within 15 years of his first loan.....	30
B. Yes—within 10 years of his first loan.....	45
C. No.....	25
20. Congress will again consider so-called "sod-buster" legislation this year which would penalize producers who plow and plant highly erodible land that has not been cultivated in the past. Which of the following is closest to your view of this legislation?	
A. Producers should be prohibited from plowing any new highly erodible land.....	32
B. Producers who plow new highly erodible land should be prohibited from participating in any Federal price support or loan programs.....	40
C. Producers who plow new highly erodible land should receive Federal price support protection only for crops not grown on that newly cultivated land.....	11
D. Producers should have no "sodbuster" restrictions placed on them.....	16
21. Should the Federal government have a policy of "cross-compliance" where producers would be prohibited from receiving price support protection and federal loans unless they engage in approved soil conservation techniques?	
A. Yes.....	73
B. No.....	27
22. Another current conservation proposal is a "Conservation Reserve" where the government pays a producer to take a portion of his land out-of-production for a period of 7-15 years. How do you feel about this?	
A. We ought not have to pay producers to take land out of production.....	34
B. I would support a Conservation Reserve if funds were taken out of existing programs to finance it rather than adding to the Federal deficit.....	44
C. Soil conservation is such a critical issue that I would support the establishment and funding of a Conservation Reserve even if it meant adding to the deficit.....	22
23. Which of the following tax credits or deductions, if any, would you be willing to give up if a comprehensive plan were to be put together to reduce the deficit. (You may select more than one answer.)	
A. Investment tax credit.....	31
B. Accelerated depreciation.....	50

EXTENSIONS OF REMARKS

1985 AGRICULTURE QUESTIONNAIRE—Continued

(All answers are from those actively engaged in farming)

	Per- cent
C. Capital gains tax rates.....	18
D. Cash basis accounting.....	14
E. None of the above.....	26
24. Which of the following do you feel is a proper direction for our federal tax policy in the future? (You may choose more than one answer.)	
A. Permitting a person to deduct a net loss from farming only if he can show that he is in farming for profit (and not just to get a tax loss).....	72
B. Allowing a corporation to take Subchapter S deductions only to the extent of actual farm income.....	29
C. Permitting only those taxpayers who have derived a minimum of 33 percent of their family income from farming in the last year to file a Schedule F itemizing farm-related deductions.....	35
D. None of the above.....	10
25. As part of efforts to reduce the Federal deficit which is expected to exceed \$200 billion this year and in the future which one of the following do you feel is most appropriate?	
A. Because of the crisis facing agriculture, we ought not be reducing spending on ag programs at this time.....	33
B. We cannot overlook any programs in our efforts to reduce the Federal deficit and, thus, we should make reductions in ag programs so long as they are fair and equitable in relation to cuts made elsewhere.....	49
C. The government is over-involved in agriculture anyway and significant reductions can and should be made in our Federal ag programs.....	19
RESPONDENT DATA	
26. Are you actively engaged in farming? (If your answer is yes, please answer the following questions as well.)	
A. Yes.....	66
B. No.....	34
27. What is the principal commodity you raise?	
A. Beef.....	5
B. Cash crops.....	13
C. Dairy.....	56
D. Pork.....	7
E. Other.....	5
28. As an adult, how many years have you been farming?	
A. 0 to 5 years.....	9
B. 6 to 15 years.....	36
C. 16 to 25 years.....	16
D. More than 25 years.....	39
29. What is your estimated debt to asset ratio?	
A. Less than 40 percent.....	59
B. Between 40 and 70 percent.....	29
C. Over 70 percent.....	12
30. What percent of your family income is earned off the farm?	
A. Less than 10 percent.....	58
B. Between 10 and 50 percent.....	21
C. More than 50 percent.....	21

A SPEECH BY MR. BRET HESTER

HON. ROBERT LINDSAY THOMAS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. THOMAS of Georgia. Mr. Speaker, this is the time of year when those of us in the Congress have the privilege of being invited to speak before a number of school commencement programs. In high schools, colleges, and universities in every corner of the Nation, we find ourselves among those who are called to address the Class of 1985.

For me and I am sure for my colleagues, this is a wonderful opportunity and one of the highlights of the year. It is an inspiration to visit with our new graduates and to be charged with the energy and enthusiasm which they carry.

At the same time, I am sure that many of us are guilty as graduation speakers of the sin of being carried away with the role of dispensing our wisdom, pronouncements, and homilies. I fear that sometimes a gradua-

tion speech is more to be endured by the audience than to be enjoyed.

For that reason, I take great pride today in sharing with the House a graduation talk that contains more wisdom than most of the words that we will hear in the Congress over a long period of time.

It is the work of Mr. Bret Hester, a 13-year-old young man who delivered the Form II Address at the St. Albans School Prize Day on May 31, 1985, here in Washington.

It was a great honor for Bret to be selected to deliver the only remarks by a student at the ceremony that marked the graduation of the eighth grade from the Lower School to Upper School. The honor is even more significant when you consider that Bret entered St. Albans only 2 years ago. I will claim some parochial pride in Bret's honor, because he is originally from the State of Georgia.

Mr. Speaker, when you see Bret's words' I am sure that you will share my own feelings that the youth of America carry with them an insight and an understanding that is both remarkable and reassuring.

It has been said that a school is a building that has four walls with our future inside. Bret Hester's talk gives me confidence that our future shines with promise. I ask his remarks be included in the RECORD at this point.

There are many large stones lying on the cathedral grounds that are rough and unimpressive. After they have been worked upon, polished, and finished, these stones become part of one of the most beautiful and impressive buildings in the world. One man working alone cannot build a cathedral. It takes the contributions of many workers, supervisors, and supporters to turn the plain, ordinary stone into the magnificent cathedral that you see today. That process is similar to the one we are a part of now, both as individuals, and as a class. In the lower school, we have been provided with the basics of our education, have formed friendships, and have begun developing our values. These qualities are the ones we will use as the foundation for the future.

The stone carvers at the cathedral grind and drill each individual block, making their impressions and leaving behind designs and art that people will see for many years to come. However well-crafted the cathedral might be, additions, repairs or changes will constantly be taking place. Teachers, parents, and friends have been drilling their impressions into us, helping us prepare for our immediate future, and for our eventual introduction to society as mature, contributing members. Just like the stones, our values, morals, and personalities will be added to and changed as we open our minds to new ideas and as we meet new people.

Educating the class of 1989 has not always been the easiest task undertaken on the cathedral close. There were days when it was rumored some of us would never learn how to identify an igneous rock, conjugate a Latin verb, or begin to understand the binomial theorem. There were also times when it was rumored that the faculty wouldn't be around the next day to even try to teach us.

But we have learned, and more than academics. We have learned from each other. We have learned to respect opinions and beliefs that differ from our own. We have learned to look to our family and friends for support and understanding when things might not be going so great, and to give our best effort when our friends need it most. We have been fortunate to have dedicated teachers who believed in our potential, and who were willing to give their time and energy to help us realize our capabilities.

I don't want to mislead you into thinking we've been living in some 20th century Utopia. The competition is tough: academically, socially, athletically. And yet, that really isn't a totally negative factor. If we are to succeed, first in the upper school, then in college and graduate school, and finally in the real world, we have to learn to deal with pressure in order to perform, and to still maintain our perspective. It's never an easy task, but here at St. Albans, we have the supporting structure that makes it possible to achieve without arrogance and to fail without despair.

At St. Albans, there is also concern and compassion that makes us aware of the world beyond the close. This year, many of us participated in social service activities for the first time. Working in a soup kitchen, I met many people very different from myself. The reason for this is simple: we are privileged and fortunate. The people with whom I was working had worries about where their next meal was coming from or where they would spend the next night. Day to day survival is a real problem for them; our problems are insignificant by comparison. Although we have our own worries such as "Will I complete this assignment on time?", "Will I pass this test?", or "Will we win this game?", we cannot get wrapped up in ourselves to the extent that we forget others.

Even as we sit here today, children are starving in Africa, people are dying in the streets in the middle east and central America, and citizens in many nations are deprived of even the most fundamental human rights. At the same time, there are concerned and dedicated people working to make the world a better place in which to live. Someone may be close to discovering the cure for cancer, or a solution for famine, or a way to peace in a strife-torn area. What does this have to do with the Class of 1989 at St. Albans School?

To use the words of a song we hear every day on the radio, "we are the world, we are the children." What St. Albans has given us already, and will continue to provide through the next four years, is the mind and heart to care about the world and the people in it, and the intellectual skills and knowledge to make it possible to make a difference. Our class may not have an Einstein or a Bishop Tutu, but each and every one of us can become a worthy human being. Individually, and as a class let us take our stones and add them to the cathedral of human spirit. ●

DEAR ROSTY: SENSATIONAL

HON. JOHN D. DINGELL

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. DINGELL. Mr. Speaker, I would like to bring to the attention of

my colleagues an editorial which appeared recently in the Detroit News praising the distinguished chairman of Committee on Ways and Means for the manner in which he responded to the President's tax message last week.

As the tax proposal is studied and shaped over the next few months, Members and the American public will have very difficult choices to make. It is important that they have confidence that they will have the kind of information they need to make those choices intelligently and that the decisions be made in a spirit of bipartisanship and comity.

The editorial I am placing in the RECORD here today is convincing testimony that the chairman of the Committee on Ways and Means is winning that kind of confidence and that will stand us all in good stead in the difficult days ahead.

[From the Detroit News, May 30, 1985]

DEAR ROSTY: SENSATIONAL

An open letter to Daniel Rostenkowski, chairman of the House Ways and Means Committee, Washington:

In your Democratic response to President Reagan's tax message to the American people Tuesday night, you invited listeners to write you about their reactions to the campaign for tax simplification and reduction. Realizing that many people might have trouble spelling your name, you ad-libbed that they could simply send their letters marked "Rosty."

OK, Rosty, here's our response: Sensational.

As good as the Great Communicator's speech was, yours was in some ways even better, perhaps because it was so unexpected. For one thing, it took courage for a leading Democrat such as yourself to throw your weight behind a Republican president's initiative. Not since the days of Arthur Vandenberg, the Michigan Republican who gave his support to Harry Truman's postwar foreign policies, have we seen such a spirit of constructive bipartisanship.

Second, you've taken a giant step toward bringing the Democratic Party home again. As you noted, the Democrats have long argued for "fairness" in taxation. But you made it clear that fairness, in your book, shouldn't be a codeword for a tax increase. "If the president's plan provides real relief for middle-income taxpayers, Democrats will follow his lead and try to hold his package together," you said.

That's the sort of sensible perspective that Democrats have been lacking for years at the national level. If Walter Mondale had listened to you, he might have been president now. (Well, at least he might have come a lot closer than he did.) Instead, when people think of Democrats these days, they tend to think of tax increasers. With one stroke, you have challenged that attitude and given your party a golden opportunity to come in from the cold.

Finally, it was just a terrific speech. Usually we flick the TV off when it comes time for partisan responses to presidential speeches. Yours was riveting. Again, that's because you spoke affectingly to the concerns of real people, not to narrow ideological interests.

Referring to the working-class Polish neighborhood you grew up in, you noted that a lot of your friends have moved to the

suburbs. "Then make more money than their parents. In most cases their lives have changed for the better. But the tax system has changed for the worse, and so has their faith in it." That's great all-American stuff, a welcome change from the politics of envy, which in recent years has driven politicians to denigrate and tax the successful in this country rather than find ways to encourage others to follow.

We're not naive. We know there's personal ambition at work here. You'd probably like to be speaker of the House after Tip O'Neill departs the scene, and this was a grand occasion to differentiate yourself from the rest of the pack.

And we realize you may have a different idea of "fairness" in the tax code than the president. You left the door ajar for those who insist that any rate cuts be "paid for" by a heavier burden on "the wealthy" and "big business." If you and the president aren't careful, left-wing demagogues could run away with the show. They have always been more interested in redistributing other people's income than in economic growth for all, which should be the real goal of tax reform.

But we understand that you'll want to find ways to put your own mark on the tax bill, and who can object? In your speech you accomplished a number of important things for which you deserve some recognition. You have rescued your fellow Democrats from the wilderness, which bodes well for American politics. You have saved tax reform from a potentially early death by placing the Reagan initiative in the great tradition of Roosevelt, Truman, and Kennedy.

And you have begun the vital process of redefining tax reform to mean primarily tax reduction (and fairness), not tax increases (in the name of a false fairness).

Fairness, after all, can be achieved by bringing tax rates down more surely than by raising them. The "rich," after all, wound up paying a bigger share of the total tax burden, not a smaller share, after the Kennedy tax cuts of the 1960s (engineered by one of your predecessors as chairman of Ways and Means, Wilbur Mills). There's nothing in the stars that says Republicans rather than Democrats should be the party of tax rate reduction.

So while we recognize that you may still have some differences with the president on tax reform, we think you deserve great credit for agreeing to work something out. That sort of spirit has been sadly lacking in Washington in recent years. As you said: "If we work together with good faith and determination, this time the people may win." To borrow a phrase the president used Tuesday night: Go for it, Rosty. ●

POPULATION CONTROL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. UDALL. Mr. Speaker, as we approach a vote on this year's foreign aid bill, one of the most contested issues is the matter of aid to international organizations to be used for population control. I wish to recommend an excellent editorial from the Arizona Daily Star on the subject. As the Daily Star

points out, it is irresponsible for us to confuse efforts to slow the growth of the world's population with personal views on abortion.

It is estimated that within 40 years the world's population will be nearly 10 billion. Most of these people will be in countries of the Third World and will have little chance of survival. Today we already see the effects of unlimited population growth in Ethiopia, the Sudan, and all over Africa, as well as in Asia and Latin America where food and economic resources are insufficient to meet the needs of ever-growing populations.

It is clearly in our interest to bring the world's population under control. Unchecked growth means severe strain on global resources, international security, and the environment. We must continue to provide assistance to those countries which most need family planning programs. These funds should not be held hostage in order to make a point on abortion.

I offer here the Daily Star editorial: ABORTION NOT THE ISSUE: HOUSE EFFORT THREATENS FUNDS TO KEEP FAMILIES IN CHECK

No country in the world, including China, has abortion as a policy of family planning. But that's not good enough for certain forces in Congress and the White House. They want to stop vital family planning money from going to any country where abortion is even allowed.

If that excessively strict regulation becomes law, the effect will be more population growth in Third World nations, more infant mortality, women resorting to illegal, life-threatening abortions and more hungry mouths to exacerbate famines.

Next week, the House of Representatives is scheduled to vote on a good foreign-aid bill. It allows the United States to assist voluntary family planning services and information to developing nations whose populations are doubling as rapidly as every 17 years.

But a congressman has threatened to attach to it an amendment that failed when the bill was considered in committee meetings. Die-hard congressmen want to revive it to punish struggling families in every country where the word abortion is even said aloud.

Population control in China has raised some legitimate questions about reported incidents of infanticide and coerced abortion. The foreign-aid bill withholds money from China's family planning activities. It also expresses strong opposition to involvement in China by any international population organizations if such abuse is verified.

The United States already passed a law, back in 1973, that said no U.S. money could be applied to abortion programs. That law is still followed. Coupled with the China action already in the bill, that is sufficient attention to the problem.

But a New Jersey Republican, Christopher Smith, has said he will bring back his amendment to the foreign-aid bill when it's discussed on the House floor. It would prohibit all U.S. funds to any organization that provides any funds to any countries permitting infanticide or coerced abortion. The foreign-aid bill already takes care of such abuses. Smith's attitude isn't pro-life, it's anti-family planning.

The broad definition that he and pressure groups give the terms infanticide and coerced abortion may well include abortions that doctors consider medically necessary in countries where abortion is legal. His amendment, improperly applied, could cause cut-offs of family planning aid not just to China but to the other 114 nations that depend on the United Nations Fund for Population Activities for maternal and child health services.

Most couples in developing countries still do not have access to family planning services that enable them to control their own fertility. Infanticide and abortion are resorted to where birth-control measures are missing and ignorance flourishes.

If the administration and members of Congress really want to reduce abortions worldwide, the last thing they should do is cut off family planning funds. Those who can rationalize such cut-offs and can live with that heavy, life-costing responsibility have blunted their consciences toward human suffering. ●

THE BANK BRIBERY STATUTE NEEDS TO BE AMENDED

HON. GEORGE W. GEKAS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. GEKAS. Mr. Speaker, for criminal statutes to be effective, they must be clear as to what conduct is prohibited. Current law dealing with bank bribery is not now clear. I have introduced H.R. 2617 to make the changes which would clarify and make effective our present bank bribery law.

My proposal amends the Bank Bribery Statute (18 U.S.C. 215) that was enacted last year as part of the Comprehensive Crime Control Act. Although I strongly supported adoption of the act, I recognized then, as now, that not every line was perfect. One example, the bank bribery provision, needed clarification but was such a small part of the act that I could not allow its defects to blight prospects for passage of such landmark criminal justice reform legislation.

A necessary component of any criminal statute is an appropriate state of mind, or mens rea, which accompanies the forbidden act. Under the modern approach to law, there are four criminal states of mind: intentional, knowing, reckless, and negligent. Since the Bank Bribery Statute, as it now reads, uses the term "directly or indirectly," this generality would appear to criminalize a whole host of innocent acts performed by persons with no stated criminal intent. Therefore, in H.R. 2617, I propose that "knowingly" be added as the appropriate state of mind to correct this uncertainty.

Because of the nature of the offense of bank bribery, there should be a relationship between the conduct and the motivation of the violator which would establish a specific intent in the offense. I propose adding "with the

intent to influence corruptly," to the Bank Bribery Statute because I feel that the essence of the statute has been and should be corrupt conduct.

Before its 1984 amendment, the Bank Bribery Statute focused on the receipt of gratuities by certain bank officials. Because it was a misdemeanor and limited in scope, a specific intent was not particularly necessary. But since it has now been transformed into a felony bribery statute with considerably broader application, I think it entirely appropriate that specific intent focus on the desire by the defendant to "influence corruptly." Just as there is a focus in the general bribery statute on corrupt demands or offers of gratuities, the focus of the Bank Bribery Statute should also be on corrupt influence.

A criminal statute should cast a net broad enough to catch criminals but not so wide as to ensnare the innocent. The Justice Department has said that they aren't looking for technical violators of the present law but for "cases where bribes have been a real corrupting influence." Knowing that Justice considers the law to have technical authority beyond its need should spur the House to take expeditious remedial action: H.R. 2617 is that remedy.

I encourage Members of the House to cosponsor and support H.R. 2617, the text of which follows:

H.R. 2617

A BILL to amend section 215 of title 18, United States Code, to modify the state of mind requirements for certain bank bribery and related offenses

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "Bank Bribery Amendments Act of 1985".

SEC. 2. SECTION 215 AMENDMENTS.

(a) SUBSECTION (a) AMENDMENTS.—Section 215(a) of title 18, United States Code, is amended—

(1) by striking out "directly or indirectly," and inserting "knowingly" in lieu thereof; and

(2) by striking out "for or in connection with any transaction or business" and inserting "with the intent to influence corruptly any transaction".

(b) SUBSECTION (b) AMENDMENTS.—Section 215(b) of title 18, United States Code, is amended—

(1) by striking out "directly or indirectly," and inserting "knowingly" in lieu thereof; and

(2) by striking out "for or in connection with any transaction or business" and inserting "with the intent to influence corruptly any transaction". ●

THE SEVENTH ANNIVERSARY OF
197TH STREET YOUTH GROUP
PROGRAM, INC.

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. BIAGGI. Mr. Speaker, it is a special honor for me today to formally recognize the seventh anniversary of an exceptional organization in my congressional district, the 197th Street Youth Group Program, Inc. Throughout the entire month of June, celebrations have been planned to commemorate 7 years of success and achievement by the youth group, and I am both proud and delighted to be part of these festivities.

The 197th Street Group Program, Inc. is a nonprofit organization which was established in May 1978 by a group of young adults who wished to create a positive atmosphere for the children in the Bronx community in which they live. These young people recognized the fact that juvenile delinquency is a stark reality in some communities in this country, and have sought to decrease this terrible growing problem by organizing activities and encouraging youngsters to participate. By inviting the children to take part in all types of educational and athletic events, the youth group has opened new doors for children who otherwise might not be utilizing the full extent of their God-given potential.

Some of the programs provided by the youth group include indoor and outdoor swimming, bowling, sightseeing in New York and surrounding areas, tours of museums, zoos, parks, and other places of interest. I have had the honor of spending time every year with a group of youngsters from the youth group who come to Washington, D.C. for a brief stay and who spend an afternoon visiting the Halls of Congress. I am always proud of these young people for they show an acute interest in and concern for the way our Government works and the intricate processes involved in introducing and passing legislation. I know that these youngsters have bright futures ahead of them.

The 197th Street Youth Group Program has been an effective and efficient organization since its inception, but this success could not have been achieved without the capable leadership of the many parents, families, and hardworking volunteers who staff it. There is one particular individual who I can say is directly responsible for the success of the program—the executive director, Ricardo Gonzalez. I have known Ricardo for some time now, and I see the very special relationship he has with the children in the program. He has earned their re-

spect by working hard and in turn has become an example for many of these young people to follow. His leadership abilities have been outstanding, and I am pleased to salute him as well as the Youth Group Program celebrates this historic occasion. Together with Michael Evans, the board chairman, they have witnessed the fruits of their labor, and I know they will continue to provide the guidance and supervision needed in the coming years.

In conclusion, may I take this opportunity to congratulate not only the staff, but all the children who have participated in the program over the last 7 years. Without their cooperation and enthusiasm, we would not be celebrating this anniversary this month.

I wish the 197th Street Youth Group Program, Inc. many more years of success. ●

TOXIC AIR EMISSIONS POSE
MAJOR HEALTH THREAT

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. FLORIO. Mr. Speaker, earlier this year my colleague, Congressman HENRY WAXMAN, undertook an innovative survey of the American chemical industry which was designed to ascertain the rates of emissions of toxic air pollutants from major U.S. chemical plants. The results of this survey have now been analyzed and they reveal that such uncontrolled emissions pose a significant public health threat for our citizens.

Several days ago, Congressmen WAXMAN, WIRTH, and I introduced legislation designed to deal with this environmental hazard both by compelling the Federal Government to develop adequate controls on such emissions and ensuring the right of communities around such facilities to be informed of the hazards they pose. We have waited for years for the Environmental Protection Agency to fulfill its statutory mandate in this important area, but the Agency remains paralyzed and we simply cannot tolerate any further delay.

I commend to my colleagues' attention the following New York Times article on the Waxman survey.

PROBLEM OF TOXIC EMISSIONS—OFFICIALS
FIND LACK OF DATA A HINDRANCE

(By Stuart Diamond)

In Parkersburg, W. Va., a million pounds of a Government-listed carcinogen are released into the air each year from a chemical plant owned by the Borg-Warner Corporation.

The chemical is acrylonitrile, also called vinyl cyanide. In its liquid state, the chemical is clear and flammable. It is used to make hard plastics for computer terminals, telephone receivers and other products.

There are no Federal or West Virginia standards that control emissions of acryloni-

trile, and Borg-Warner says the Parkersburg emissions are safe. If the plant were in Philadelphia, however, such emissions would be double the safe limit established there. And in New York State they would be 50 percent above the limit.

Instances of toxic air emissions have only recently been recognized as a significant pollution problem. The new awareness is due partly to studies that increasingly relate sickness to chemical emissions. Improved instruments detect more emissions. Some chemical experts now say toxic emissions from plants are the main air pollution danger, even more serious than problems at dumps, the target of a Federal clean-up effort.

Interest in the subject has skyrocketed since Dec. 3, when a poison gas leak at the Union Carbide Corporation's pesticide plant in Bhopal, India, killed about 2,000 people and injured 200,000.

But officials have been stymied in dealing with toxic emission problems. There is a dearth of information on chemical producers and emissions. Disagreements have erupted over who should regulate emissions, judge new technologies and decide if remedial action is necessary.

"Toxic air pollution has emerged as the most important air pollution problem, but it is also the most difficult," said S. William Becker, who manages two Washington associations of air pollution officials. "It is newer. Less is known about it. There is not enough information in many cases to know how to proceed. There are many dilemmas."

C.L. Knowles Jr., director of environment, safety and health for the Olin Corporation, said most chemical companies do not measure and report all toxic air emissions accurately. Many jurisdictions accept estimates.

If the Government were to require precise measurement and reporting, he said, "the nation would learn an awful lot more about emissions." He added, "We might find it less scary—or more so."

Despite the absence of systematic studies, however, much information on toxic air emissions has begun to emerge. The largest chunk of data is from a survey of 86 major chemical companies conducted this year by the House Subcommittee on Health and the Environment, headed by Representative Henry A. Waxman, a California Democrat. More than 10,000 pages of information were gathered.

During the past month, The New York Times analyzed the panel's findings and interviewed chemical executives, regulators, environmentalists and others about the survey. The result is a picture of today's chemical industry that shows slow changes beginning in the assessment and control of chemical air pollution.

Among the conclusions are these:

Much of the tens of millions of pounds of toxic chemicals spewed into the air annually is not specifically regulated.

At many companies, emissions are not haphazard but a result of conscious judgments that balance economics against safety.

Emissions and their disclosure vary widely among companies, partly because of different attitudes.

Most chemical plant emissions come from a few large plants—less than 10 percent of all facilities.

Old plants, with more primitive emission controls, emit far more toxic chemicals than new plants.

Many companies are improving their emergency planning to protect nearby residents in case of accidents.

"The industry runs the complete range of companies that are responsible, moderately responsible and irresponsible," said Harold J. Corbett, senior vice president of the Monsanto Company. There has been a "tremendous impetus" since the Union Carbide accident to upgrade the average through peer pressure, he said, but the process is slow.

Toxic emissions generally consist of four types: synthetic organic chemicals, such as benzene, made from oil and natural gas; natural organic chemicals such as asbestos, and metals such as mercury, cadmium and nickel. Many of these substances can cause cancer and are dangerous in small concentrations.

Such emissions usually do not include inorganic combustion products such as sulfur dioxide and nitrogen oxides. These are far less dangerous in similar concentrations and do not cause cancer. They are usually associated with respiratory problems, eye irritations and photochemical smog only when discharged in huge amounts. Such emissions, which were the focus of air pollution regulation from the early 1970's until recently have been sharply curtailed with controls on automobiles and factories.

EFFECTS ON HEALTH DEBATED

The health effects of toxic emissions are hotly debated. Many of the substances cause cancer in laboratory animals and have been linked to workers' diseases but almost always in higher concentrations than are found near chemical plants and sometimes involving entry into the body other than by inhalation. The tons of airborne chemicals, when dispersed, usually result in a few parts per billion or trillion at the plant fence. Some of the emissions decompose after a few weeks in the environment, although others, such as carbon tetrachloride, remain for decades.

Nonetheless, some studies have found more cancer near chemical plants, although such data are inconclusive. Scientists say additional study is needed. But regulators worry that the potential danger may warrant action before all the studies are completed, which may take years.

"One has to be concerned about tons of these cancer-causing substances going into the community," said Peter F. Infante, who directs carcinogen assessment at the Occupational Safety and Health Administration. "The more carcinogens, the more we are increasing our probability of getting cancer."

PANEL GATHERS STATISTICS

Over all, the House subcommittee's survey found more than 62 million pounds a year of toxic chemicals being released from at least 302 plants in 34 states. More than 120 chemicals were involved, including the cancer agents benzene, vinyl chloride, asbestos, chloroform, carbon tetrachloride, acrylonitrile and formaldehyde. There were also significant releases of lead, mercury, cadmium and bromine. The heaviest concentration were in Texas, Louisiana, West Virginia, Kentucky, Ohio, New Jersey and New York.

Yet that appears to be only a small fraction of the total releases. In Philadelphia, for example, the survey found four toxic chemical emitters, but city officials have found 750. In New York the survey found 19 toxic emitters, while state officials say there are actually more than 12,000.

The Congressional study was intended to check on only some of the largest chemical

producers. Besides chemical plants, however, there are hundreds of thousands of other sources, including chemical haulers, chemical storers, dry cleaners, electroplating facilities, trash-burning plants and wood-burning stoves.

One lesson learned from the study is that a complete survey would probably need the force of law, including the threat of penalties.

RESPONSES TO SURVEY VARY

In response to the Congressional inquiry, some companies, such as the Dow Chemical Company of Midland Mich., submitted 300 pages of data.

Others, such as Reichhold Chemicals Inc. of White Plains, sent a letter challenging parts of the survey as ambiguous and submitting no data. "It's an individual decision for each company," said A.F. Vickers, Reichhold's environmental director.

Some, such as the Upjohn Company, declined to provide data, citing concern about confidentiality. By contrast, the Ciba-Geigy Corporation said, "None of the information which you have requested is confidential."

Based on the survey, large companies such as E.I. du Pont de Nemours & Company, Dow and Union Carbide generally emit the most toxics.

A few large plants appear to emit most of the toxic chemicals. About 61 percent of all benzene emissions tabulated in the survey, for example, came from five plants of the Shell Oil Company's chemical division in Texas, Louisiana and Illinois.

Two Diamond Shamrock Corporation plants in Texas and Delaware and a Vulcan Materials Company plant in Louisiana emitted 56 percent of the carbon tetrachloride. About 58 percent of the vinyl chloride was emitted by an Occidental Petroleum Corporation plant in Pottstown, Pa.

STATUS OF OLDER PLANTS

Some of the plants that are the biggest toxic emitters were built decades ago. Borg-Warner's 39-year-old plant at Parkersburg, W. Va., emits 500 times more acrylonitrile per ton of output than its 1982 plant with computer controls and recycling systems at Bay St. Louis, Miss., the company said. But changing the Parkersburg plant would be impossible without virtually gutting it, according to a Borg-Warner spokesman, Robert A. Hess. "It's a complex process of valves, storage vessels, fittings and process vessels that work together as a system," he said.

Emission practices vary. At Magnolia, Ark., Dow says, its control systems result in no detectable emissions of corrosive bromine. Yet, a nearby Ethyl Corporation plant emits 137 tons of bromine a year.

SOME OF MAJOR SUBSTANCES

The chemical that is emitted the most, the Congressional survey found, is methylene chloride—8.2 million pounds annually, coming from many plants. It is a paint remover and refrigerant that can irritate respiratory passages, cause blood changes and affect the central nervous system.

More than three million pounds each of ammonia, benzene, butadiene, chlorine, ethylene dichloride, toluene and xylenes are emitted every year. About 2.6 million pounds of acrylonitrile are emitted at 37 sites.

The survey found relatively small emissions of isocyanates. These include methyl isocyanate, known as MIC, which caused the tragedy in India. Union Carbide reported releasing 160 pounds of MIC a year at In-

stitute, W. Va., and 188 pounds a year at Woodbine, Ga.

State limits on such emissions often are much more restrictive than workplace standards because the general public is continually exposed and has a higher proportion of sick, young, old or otherwise vulnerable people.

But judgments vary. Connecticut divides by 600 the worker limits set by Washington's Occupational Health and Safety Administration. Philadelphia divided the limits by 420, New York State by 300 and Louisiana by 20, based on 24-hour exposure.

Some states are now targeting the largest emitters for improvement and ordering old plants to install the best available control technology.

"All of the interest in toxics is resulting in tighter controls," said Gustave Von Bodungen, Louisiana's air quality administrator. ●

WOUNDED SOUTH AFRICAN BLACKS FACING ARREST AT HOSPITALS

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. LELAND. Mr. Speaker, earlier today on the House floor I expressed my deep concern over recent reports that described how police in South Africa are interfering with the medical treatment of blacks.

I urge my colleagues to read the following Washington Post article that appeared on the front page of the June 5 issue:

WOUNDED SOUTH AFRICAN BLACKS FACING ARREST AT HOSPITALS

DOCTOR'S RUSES DECEIVE WATCHING POLICE
(By Allister Sparks)

JOHANNESBURG.—Police officers were watching the patients register at a big hospital for blacks in the South African city of Port Elizabeth when a young man came in with shotgun wounds in his chest and left arm.

A wiry little Indian doctor with sharp eyes, Mandikat Juta, later described here how he leaned across to the admissions clerk and declared: "This is Dr. Brown's gardener. Injured himself with a screwdriver. Admit him to my ward."

Juta, of the Port Elizabeth hospital staff, says he has been smuggling patients into his ward and treating them secretly for two months because the police in eastern Cape Province, where most of South Africa's prolonged racial unrest has been, keep watch at all the region's hospitals to arrest any black person admitted with gunshot wounds.

The mere fact of such a wound, especially from a shotgun, is regarded as evidence that the person was involved in a riotous crowd that clashed with the police, Juta says.

The wounded person is immediately placed under arrest, and an armed guard is posted at his bedside. According to Juta, some patients are handcuffed to the bed.

When the patient is discharged from the hospital, he is taken to a police cell, then to a court to be charged with riotous behavior. Juta and a white doctor in private practice in Port Elizabeth, Gavin Blackburn, gave this account of police action regarding

blacks injured in unrest in the region, where 129 persons have died since March 21, at a meeting of concerned doctors and paramedics held in the Medical School of Johannesburg's Witwatersrand University last week.

The meeting was called by the National Medical and Dental Association of South Africa (Namsa), which broke away from the officially recognized Medical Association of South Africa because of the latter's failure to act against the doctors who treated black consciousness leader Steve Biko before he died in police custody in 1977.

Namsa's eastern Cape branch has protested what it regards as police interference with doctor-patient relationships during the current unrest in the area.

It issued a statement recently accusing the police of intimidating and arresting patients in hospitals, of placing them under arrest in their beds and sometimes confiscating their medication when they were transferred to police cells. It said the police had instructed some private doctors not to treat patients in their offices but to send them to the hospitals, so that they could be arrested there.

Accusing the authorities at the state-run hospitals to be in collusion with the police, the medical body, which has about 650 members countrywide compared with 6,000 in the officially recognized group, said sections of the hospitals where the wounded blacks were treated were closed to the public. Catholic priests had been told they could not go into these sections to administer last rites to dying patients, the statement said.

Namsa said many wounded blacks had gone without treatment because they were afraid to go to the hospitals and were turned away by nervous private doctors. A few had tried to operate on themselves to extract shotgun pellets, resulting in infections. Some patients had died through lack of medical attention.

Asked to comment on the Namsa allegations, a spokesman at police headquarters in Pretoria said: "Since we do not know the parameters of the Kannemeyer Commission's terms of reference, we are unable to comment."

The Kannemeyer Commission is investigating the police shooting of 20 members of a black crowd near the eastern Cape town of Uitenhage March 21, and the South African authorities take the attitude that they should not comment on this incident until the commission has reported.

Judge Donald Kannemeyer, the commission's chairman, said when the hearings started that they would focus only on the massacre itself and not probe general conditions relating to unrest in the region.

Juta said he was one of "maybe three or four" doctors out of a staff of 120 at Port Elizabeth's Livingstone Hospital who had tried to circumvent the police net to treat patients clandestinely. He said they risked their jobs as provincial government employees, adding that "I might even be dismissed for addressing this meeting."

Blackburn said he was one of several private doctors who had set up a rudimentary clinic in a church hall in Uitenhage, where they attended to wounded blacks who were afraid to go to the hospitals.

"We have no sterile facilities. There is no hot water, no X-ray equipment, so we don't know where the bullets are to extract them. There really isn't much we can do except give the patients penicillin injections," Blackburn said.

Juta said he had done a voluntary stint at the church hall and realized it was impera-

tive to get some of the patients to a hospital.

"The only way," he said with mock irony, "was to do something irregular and improper. I admitted them to my ward under a false diagnosis."

As an example, the Indian doctor said, he had admitted one patient whose jaw had been shattered by a bullet as a case of "right facial palsy."

"The police had taken over the first and second floors of the hospital, and I was on the third floor, so they didn't really know what was going on up there," Juta said with a chuckle.

"The main problem was to stop the nurses from talking, and above all to keep [the head nurse] from finding out."

There had been a nasty moment, Juta said, when one of the police guards tried to date his medical assistant, but he had managed to persuade her to stand him up.

He found it awkward, too, when he had needed to consult medical specialists about these falsely registered cases, and book anesthetists.

"How can you explain to your consultant what you are doing? How much can you depend on your colleagues to go along with your irregular conduct?" Juta asked. He said he sought to treat the patients as quickly as possible and get them out of the hospital before the police learned they were there.

Sometimes specialists insisted that the patients be hospitalized for a week or more, which increased the risk of discovery and of his own dismissal.

Juta said he found the behavior of the police in the wards "unnerving."

"They walk about the hospital in camouflage fatigues carrying sten guns and automatic rifles. They smoke where there are no-smoking signs. They play cards in the wards, and they fingerprint patients pre- and post-operatively."

Still, he said, the situation in his hospital was not as bad as at the Uitenhage hospital, "which is like a military camp. Police trucks move into the Uitenhage hospital compound as often as ambulances."

Blackburn said a senior police officer had threatened to arrest the doctors treating wounded blacks in the church hall: "He told us we were obstructing the course of police activity."

A security police officer had demanded that one badly injured man be handed over to him, but the elderly woman doctor who was treating the patient refused, according to Blackburn.

A black man hit in the eyes with a charge of buckshot had gone to a private doctor in Uitenhage's black township of Kwanobuhle, Blackburn recounted.

The doctor had telephoned for an ambulance, but a security police car had arrived instead to take the man to the hospital.

The patient was placed under arrest in the hospital, with two armed police at his bedside.

Although his eyes were bandaged, he was handcuffed to the bed, Blackburn said. ●

REMARKS OF ECUADOR'S PRESIDENT LEON FEBRES CORDERO BEFORE HIS ALMA MATER—STEVENS INSTITUTE OF TECHNOLOGY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. GUARINI. Mr. Speaker, today I am pleased to share with my colleagues the recent remarks of Ecuador's President Leon Febres Cordero on accepting an honorary doctorate from his alma mater, the Stevens Institute of Technology, in Hoboken NJ.

President Cordero graduated from Stevens in 1953 at the top of his class. Well equipped with an analytical mind and a degree in engineering, he rapidly advanced from student to engineer to industrialist to statesman. His life in part reflects the sound preparation and challenging education he received from Stevens Institute. His achievements attest to the value of the rigorous academic curriculum provided by this fine institution.

I am very proud that Stevens Institute of Technology is located in the district which I represent. I salute the presentation of this doctoral degree to an outstanding alumnus.

STEVENS INSTITUTION OF TECHNOLOGY, MR. CHAIRMAN EMERITUS OF THE BOARD OF TRUSTEES: I HAVE THE HONOR TO PRESENT TO YOU, LEON FEBRES, CORDERO, CLASS OF 1953

The yearbook for the Class of 1953 bears a unique dedication. It was neither an inspired teacher nor a beloved counselor who drew the students' admiration. It was rather "the future of mankind." In the students' own words, "We must realize that the future of the world is . . . the responsibility of each and every one of us. The individual holds the power in the palm of his hand and it is up to him to use it."

How prophetic these words were for one member of the class, Leon Febres Cordero, President of the Republic of Ecuador. He is the sole son of Stevens to join that unique fellowship of individuals who hold in their hands the capability of shaping the destiny of our world.

When he was an undergraduate here, Mr. Febres Cordero was known for his intellectual prowess, his enthusiasm and boundless energy, his determination and relentless drives. Combining a rigorous academic schedule and a myriad of extracurricular activities, he graduated with high honor at the top of his class. The personal attributes that led to his success at Stevens have taken him along the path from student to engineer to industrialist to statesman.

Today, as president of Ecuador, facing the greatest challenges of his career, Mr. Febres Cordero can draw upon problem-solving approaches he first mastered as an engineering student at Stevens. With professional engineering credential that few world leaders possess, he can offer special insight into the complex problems facing mankind. His voice, raised on behalf of the positive results of technological innovation, commands international respect.

Mr. Febres Cordero has stated, "Everything I learned, I learned at Stevens." We thank you, sir, for this most generous endorsement, and in turn, say to you that your extraordinary achievements inspire us all. From Castle Point to the pinnacle of responsibility and power in the Republic of Ecuador, your promise has been so richly fulfilled.

I ask you, Mr. Chairman Emeritus, to confer upon His Excellency Leon Febres Cordero the degree of doctor of engineering, honoris causa.

KENNETH C. ROGERS,
President.

FREDERICK L. BISSINGER,
Chairman Emeritus of the
Board of Trustees.

APRIL 10, 1985.

ACCEPTANCE REMARKS OF LEON FEBRES
CORDERO, PRESIDENT OF ECUADOR

Without any doubt, your gesture has a special connotation for me; not only because of the high honour you are today bestowing upon me, but also and fundamentally because it brings me back to a period of my life which can never be forgotten; a period spent in this institution to which I owe my intellectual formation, most of my knowledge and the basic principles on which I have based the development of my ways of life.

The degree of Doctor Honoris Causa, which you have just granted me, does commit my gratitude to you, who represent, not only an institution of the highest academic standards, but who also fulfill the spirit of this nation: heroic in the compliance of duty, profound and austere in its obligations, and totally dedicated to the enhancement of science and technology.

In this educational environment, I spent a very important part of my life. Here I made everlasting and true friendships, and it was here that I acquired not only a sound education, but also the will to fight for noble causes, the character to overcome obstacles, and the strength not to succumb to negative emotions and passions.

These tools I have used with tenacity, to obtain the trust of a people which has put upon my shoulder the very grave responsibility of conducting its destiny.

In so doing, I have not surrendered my principles, nor have I deviated from my firm convictions. On the contrary, I have presented myself to the people in a frank and authentic fashion; I have spoken with sincerity on the principles of the market economy; I have opposed, without any fear, the demagogic posture of extreme leftist tendencies and statism.

I have spoken about the capabilities of the human being and his free will, of the need to foster the development of a society in which bread, shelter and jobs are available to everyone. I was fortunate to have the favorable response of my country men, to the service of whom I am now totally committed.

The degree with which I have been honoured on this day, I take back to my country with sincere pride and deep satisfaction; and with you I leave the warmest feelings of my people and the permanent gratitude of this alumnus. ●

BOSTONER REBBE FULFILLS
DREAM IN ISRAEL

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. FRANK. Mr. Speaker, through the determination and perseverance of a great religious leader, a dream has become a reality in Jerusalem. More than 50 years ago the Bostoner Rebbe, Rabbi Pinchas Horowitz, began his efforts to establish a community in Jerusalem. That effort was unsuccessful during the difficult days of the Great World Depression before the establishment of a State of Israel gave security and protection to the Jews seeking to settle in that part of the world, which is so important to the Jewish people. But Rabbi Pinchas Horowitz's efforts were continued by his son, the current Bostoner Rebbe, Grand Rabbi Levi Horowitz. Through his efforts, the township of Kiryat Boston is now a fact. And it will soon be for many religious Jewish families, a home.

The story of the establishment of Kiryat Boston through the efforts of Grand Rabbi Horowitz was detailed in an interesting story in the Jewish Advocate of Boston earlier this year. In recognition of the extraordinary leadership which the Bostoner Rebbe, Grand Rabbi Levi Horowitz, provides to his congregants and indeed to the entire Boston area and as a further illustration of the strong bonds that exist between the American Jewish community and Israel, I ask that this article be printed here.

Like many others, I regret the fact that we will have less of the time of the Bostoner Rebbe in our area. His leadership in the area of medical ethics, to cite just one example, has been very important to us. And I have enjoyed frequent conversations with him on topics ranging from religious to political and back again. But as Congregation Beth Pinchas President Barry Goldman says, "Everyone is entitled to fulfill their dreams," and that certainly includes our friend the Bostoner Rebbe.

The article follows:

[From the Jewish Advocate, Feb. 21, 1985]

KIRYAT BOSTON BLOOMS IN JERUSALEM'S
HILLS

(By Dale V. Norman)

It might be unrecognizable to a Boston Brahmin, but there is a piece of the Hub rooted in the hills of Jerusalem.

Grand Rabbi Levi Yitzchak Horowitz (the Bostoner Rebbe) was instrumental in creating this religious township, which is part of the Jerusalem municipality, and is known as Kiryat Boston. The Rebbe met with the *Advocate* recently in his Brookline headquarters overlooking Beacon Street, to discuss this new settlement and future plans to divide his time between his duties here and in Kiryat Boston.

"My first trip to Palestine was in 1934 when my father arranged my bar mitzvah in

Jerusalem," the Rebbe related. At that time, the Rebbe's father, Rabbi Pinchas David Horowitz, purchased a parcel of land just outside the new city of Jerusalem.

"He hoped to establish a Boston community in Jerusalem and bought land from the Arabs . . . At that time, to think of buying land in Israel was a far-off concept," he noted.

However, after a third unsuccessful attempt to resettle his family in Palestine, Rabbi Pinchas had to return to Boston due to economic difficulties. In 1936, the Rebbe, his mother, and little sister returned to Boston and later met Rabbi Pinchas at the railroad station. "There was no smile or happiness on his face . . . My father was distraught . . . His dream was shattered and he never could get over that," the Rebbe said sadly.

Rabbi Pinchas, also known as the 'Bostoner Rebbe', died in 1942. In 1946 his body was transported from its resting-place in Williamsbury, N.Y., to Israel, where it was buried on the Mount of Olives. Catastrophe struck the family in 1948 when this grave, along with many others became part of Jordan. This land was finally recaptured by Israel in 1967.

Along with the grave, the plot of land that had originally been purchased by Rabbi Pinchas, was again part of Israel. However, there was no simple solution available for the Horowitz family to obtain the land. As the Rebbe explained, "Immediately after the war the Israeli government took over that area of land."

The Rebbe related that he made a pilgrimage to Israel that year—and for the next 17 years, "To convince the government to give back our land . . . We wanted the land to fulfill my father's dream to build Kiryat Boston and Givat Pinchas—a synagogue . . . Finally, after many years of chasing, they've allocated a piece of land to build 200 apartments in the area of Har-Nof."

The Israeli government notified the Rebbe that he had an official presence in Israel—for which he will eventually have to raise approximately one-half million dollars.

Located East of Jerusalem, the land earmarked for Kiryat Boston was given to the Rebbe in 1980. "It is very beautiful," the Rebbe reflected, "Looking out of a window, one has an almost complete view of Jerusalem. It is very cool in summer and the air is clear and clean."

During October 1983, Mayor Teddy Kollek of Jerusalem wrote to the Rebbe, "I am happy to inform you that with intensive intervention on the part of the City good progress is being made on Har-Nof and I hope that everything will come to a speedy and satisfactory conclusion. The first families are moving in these very days."

Physically, Har-Nof is divided into two building phases, and Kiryat Boston is part of the latter phase. There are people presently living in the lower lying areas of Har-Nof, while in what will be Kiryat Boston, only roads and sewage foundations have been built. "This whole community is supposed to be a religious one—with a total of 2,000 families," he explained.

The Rebbe owns two apartments in the area. "One adjacent to the synagogue for Shabbat, and a larger one." The first synagogue has been completed, and was presented to the Rebbe by Mayor Teddy Kollek.

The synagogue has been named 'Givat Pinchas', (The Heights of Pinchas), which is the original name chosen by the Rebbe's father. "We have been thrown into a viable

good community and our Shul is the central point of Har-Nof. Therefore, Kiryat Boston has now been extended," he said.

The Rebbe related that approximately 100 families have bought apartments in 'phase one' of this area. "I think Kiryat Boston will be great . . . Many Americans and Israelis feel comfortable in the setting we provide . . . When I go there—I'm mobbed," he enthused.

Synagogue services began officially during the High Holy Day Services of 1984. "After 50 years our dream was realized . . . Kiryat Boston perpetuates what my father wanted when he purchased the land in 1934 . . . Many Bostonians live in Israel and want to come home again—They can do so and be in Jerusalem," he stated.

The upcoming prolonged absences of the Rebbe and his family from Boston will have a profound influence on members of the Congregation Beth Pinchas community of Brookline. Barry Goldman, president of the Congregation told the *Advocate* in a Tuesday conversation, "The Rebbe has been involved in Boston for many years now . . . Everyone has a dream—his dream is to spend more time in Israel. We have to look at this unselfishly as he has done so much for Orthodox Jews in Boston." Goldman concluded, "When he's not here there's a void, but everyone is entitled to fulfill their dreams. I just hope that as Kiryat Boston develops he will share his time with all of us."●

WHAT HAPPENED TO THE BRIGHTEST AND THE BEST?

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. RANGEL. Mr. Speaker, I rise to express my absolute dismay at Ronald Reagan's continuing inability to appoint noncontroversial people to top positions in his administration.

The controversies involving James Watt and Raymond Donovan are the most notorious examples of Reagan's poor judgment. Most recently, Marianne Mele Hall, chairwoman of the Copyright Royalty Tribunal, resigned amid heated debate about her association with a blatantly racist publication. These are not isolated incidents, and should not be viewed as such. Rather, they are part of a pattern of incompetent selection.

The Reagan administration is not an administration of the brightest and the best. I think that the Marianne Mele Hall incident should have dispelled any remaining doubt of this fact from the American conscience. I would like to submit the following article into the CONGRESSIONAL RECORD, and ask my colleagues to be cognizant of how poor our President's judgment can be in selecting his advisers.

[From the New York Daily News, May 7, 1985]

WHO'S PICKING THE BAD APPLES?

(By William Raspberry)

They have unearthed another one. At an obscure federal agency, tucked away in her

new \$70,000-a-year job, is Marianne Mele Hall, "co-author" or "editor" of a thin, privately published volume called "Foundations of Sand."

It is the book's thesis that one of the problems confronting America is that blacks "insist on preserving their jungle freedoms, their women, their avoidance of personal responsibility and their abhorrence of the work ethic." Also culpable, it contends, are the social scientists who "put blacks on welfare so they can continue their jungle freedoms of leisure time and subsidized procreation." If that strikes you as thinly disguised racism, you are wrong. It is racism that is vicious, brutal and disguised not at all.

Hall, who was confirmed a month ago as chairman of the Copyright Royalty Tribunal, says now that she really wasn't a "co-author" of the 71-page book, as she described herself on a Senate questionnaire.

"I edited that work—period," she told a reporter, as though it matters.

The crucial facts are that she is openly associated with a piece of racist trash (hers is one of three names listed on the book's cover) and that she has been appointed to office by a President whose administration manages to keep finding appointees with strange views.

Sometimes the views are merely bizarre, as in the case of the now-departed Eileen Gardner, who explained that the government shouldn't try to help the handicapped because "nothing comes to an individual that he has not, at some point in his development, summoned. Each of us is responsible for his life situation."

Sometimes they reflect a sort of conservative naivete, as in the case of those who dreamed up "constructive engagement," imagining that the South African government could be sweet-talked into abandoning its fundamental racism.

Sometimes they are reactionary, as in the case of the Reagan nominees to what has come to be called the U.S. Commission Against Civil Rights.

Even now, William Bradford Reynolds, the associate attorney general for civil rights, is deliberately stirring up racial mischief. He is inviting school districts to dismantle desegregation plans long in place and he is trying to force city governments to reopen long-settled affirmative-action hiring programs in their police and fire departments.

Isn't it time to acknowledge that these things are not aberrations of the Reagan administration, but its themes?

Isn't it worth recalling that in 1980, Reagan, the "nice guy" to whom charges of racism refuse to stick, chose to start his Southern campaign swing in Philadelphia, Miss., whose chief claim to fame is that it was the site of the murder of three civil rights workers? Isn't it worth remembering that it was Reagan's idea, as President, to grant federal tax exemptions for segregationist schools?

Isn't it time to wonder whether it is merely accidental that the Reagan administration, in its enthusiasm for budget cutting, has proposed to cut out the Job Corps, the Work Incentive Program and the Small Business Administration and has managed to cut to shreds the "safety net" the President said he would leave in place to protect the disproportionately black poor?

By its attitudes, by its appointments and by its actions, the Reagan administration has become the most actively anti-black administration in recent memory.

It no longer suffices to look at the Marianne Mele Halls as the occasional, acciden-

tial bad apples. It's time to turn some serious attention to the man in charge of the barrel.●

LEARNING TO LIVE WITH METRIC

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. WHITEHURST. Mr. Speaker, many Americans are still doubtful about the need for conversion to the metric system, at least partly because they find it difficult to understand or to learn.

In the June, 1985, issue of *National Geographic*, Wilbur E. Garrett, the editor, included a brief, but cogent, editorial on the subject. I am pleased to share it with my colleagues, because I think it puts the whole matter in perspective.

The editorial follows:

When we began a gradual, methodical conversion to the metric system eight years ago, beginning with scientific articles and supplement maps, we expected resistance but not the vehemence of some of the complaints. We were called "pinko Commies, un-American, and traitors," as well as "just plain stupid."

Not everyone was against us, but as usual our critics were more vociferous than our supporters—by a wide margin. Since 1981 we've received close to 400 letters of complaint, versus only 29 in support of metric. In that same time 73 members (out of more than ten million) have resigned in anger.

It was a case of shooting the messenger who brings bad news. Few of us were thrilled by the need to learn new ways of measuring, but it was obvious that change we must.

Every nation in the world has adopted or is now committed to metric except three—Burma, Brunel, and the United States. The Olympics, as in Los Angeles last year, are run entirely in metric. Our national parks now use both miles and kilometers on signs. Because of NATO, our Department of Defense is moving to full metric standardization.

As is usually the case when our purses are endangered, we listen very carefully. What we are hearing is that the European Economic Community has set a 1989 deadline for all imports to be entirely metric. In Japan metric must now be used in all commercial transactions. Sixteen percent of the 1,000 leading U.S. firms have reported losses for failure to supply in metric.

The result: "Pinko Commies" aren't the only ones hearing the metric message.

General Motors cars are almost 100 percent metric, Chrysler 70 percent, Ford 50 percent. Seventy-one percent of the *Fortune* 500 companies manufacture a metric product. Forty percent of the wrenches now sold by Sears, Roebuck are metric.

For those like myself who still haven't fully converted their brains to metric, the *GEOGRAPHIC* will continue to use metric where appropriate and give customary U.S. equivalents when feasible.

Despite claims to the contrary, the dinosaurs did not go away overnight, nor will the older standards. The world has learned

to live without dinosaurs. In time we'll all learn to live with metric. ●

HERO COP—PAUL RAGONESE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. BIAGGI. Mr. Speaker, President Reagan has often made the point that heroes are a valuable commodity in our society. I would certainly agree, especially after learning of the recent heroics performed by New York City Police Detective Paul Ragonese.

Most of the Nation has heard news reports of the 65-ton crane that fell on the streets of New York City last week trapping Brigitte Gerney underneath for nearly 6 hours. Those same news reports told of the tremendous courage exhibited by Ms. Gerney as she waited for rescuers to free her crushed legs. We were also told of the miraculous work of the Bellevue Hospital microsurgery team that managed to save her legs.

While many of those news reports failed to mention, though, was the bravery and compassion exhibited throughout this terrible ordeal by then officer, now Detective Ragonese. According to a New York Post account of the incident:

Ragonese, a 35-year-old veteran emergency services cop, crawled beneath the overturned crane last week on the East Side and spent 6 hours holding (Brigitte Gerney's) hand, praying and keeping her spirits up until she was freed.

Detective Ragonese had this reaction to his efforts, which are universally being acclaimed as heroic: "What I did was really nothing," he said. "All I did was what I believed any human being should do for another human being. The only real hero out of this is Brigitte Gerney."

Ms. Gerney had a different view of the situation. She told Mayor Koch after her surgery that "what kept me alive was that (Detective Ragonese) held my hand, and I knew I was alive because he held my hand."

It should be noted that helping people in distress and saving lives is not something new to Detective Ragonese. When only a 19-year-old police trainee, he managed to keep a suicidal man on the 911 emergency line long enough to trace the call and save him. Later in his career, he sifted through a New York City sewer to find the diamond engagement ring a young woman had dropped. He nearly drowned in 1982 while trying to rescue a woman who had made a suicide plunge into the East River. He risked his own life again just last year when he climbed eight stories and inched his way out on a steel girder to talk a love-sick teenager out of committing suicide. All totaled, Detective Ragonese

has received 27 medals for these and other examples of outstanding police work.

According to Paul Ragonese, what he did "was what I believed any human being should do for another human being." Such a simple philosophy, and to think that we have always assumed it took so much more to be a hero.

Brigitte Gerney, we are told, will walk again. Paul Ragonese has been promoted to detective. And, as a 23-year police veteran, I am proud to say the law enforcement profession stands a little taller. Sadly, it has taken a terrible tragedy to give us at least two unsuspecting heroes and a special feeling that comes with another person's suffering turned good. Perhaps the best that can be said is thank you Brigitte and Paul for the powerful inspiration you have given us.

At this time, Mr. Speaker, I wish to insert two articles that appeared in the New York Post discussing the heroics of Paul Ragonese in more detail:

[From the New York Post, June 4, 1985]

APPLE OF OUR EYE

CRANE HERO COPS A BIG PROMOTION

(By Richard Esposito and Ann Giordano)

Hero cop Paul Ragonese, who crawled under a toppled crane to comfort a woman whose legs were crushed when it fell on her last week, was rewarded by the city today: he was promoted to detective.

"What I did was really nothing," Ragonese said after Police Commissioner Benjamin Ward and Mayor Koch presided over a ceremony at which he received the coveted gold detective's shield.

"All I did was what I believed any human being should do for another human being," said Ragonese, his blue dress uniform festooned with 27 medals for outstanding police work earlier in his career.

"The only real hero out of this is Brigitte Gerney," he added.

Ragonese, jammed into a cramped position, stayed with Mrs. Gerney, 49, for nearly six agonizing hours until the huge crane could be lifted from her.

His own legs cramped and numb from his contorted position, he was pulled away from the scene at Third Av. and 63d St. last Thursday.

"I couldn't physically remove the crane myself, so all I could do was comfort her," Ragonese said.

"The best reward is that she is alive," he said, as his wife Rose and two young daughters watched proudly. "That is the only real reward."

Ragonese said he planned to visit Mrs. Gerney today at Bellevue Hospital, where her legs were saved by a microsurgery team. "I can't profess enough how great that woman is," Ragonese said at Police Headquarters before he was formally promoted.

"I'm more nervous about going to see her than going to this promotion," he said, his voice choking with emotion.

"She's an incredible woman. She's the bravest person I ever met."

The cop, tears welling in eyes as he relived the endless hours he spent with Mrs. Gerney, said:

"After 10 minutes of talking with her, I said, 'If anybody's going to survive this, it's

going to be her,' because she's a fighter. She fought death from beginning end.

"She didn't give in to the pain, which must have been incredible, and she never panicked. She never said, 'get me out of here, I can't take it anymore.'

"All I did was hold her hand. I gave her communion. We prayed.

"If anybody ever doubts there's a God, after this I find it incredible," he said. "This was definitely a miracle."

And he also had high praise for the whole city.

"If anybody doubts New York's the greatest city in the world, from the Mayor on down . . . people were unbelievable," Ragonese said.

Mayor Koch, who attended the ceremony, credited Ragonese with helping save Mrs. Gerney's life.

He said that when he visited the injured woman, she told him:

"What kept me alive was that he held my hand, and I know I was alive because he held my hand."

"Now that's an extraordinary thing," Koch said.

Ragonese said he hoped to attend a party to celebrate Mrs. Gerney's recovery. "And believe me, I want the first dance with her," he added.

[From the New York Post, June 5, 1985]

CRANE COP TURNS COURAGE INTO A CAREER

(By Ann Giordano and Paul Tharp)

The lives he's helped are too many to count.

You see, Paul Ragonese has been a hero since he was a kid.

Whether it has keeping bullies off his little brother or teaching retarded kids how to hug and laugh, the construction-crane hero has been doing what he does best—helping people.

His latest "save," East Side accident victim Brigitte Gerney, is on the mend.

"I didn't know the real reason why I became a police officer until I discovered it was to help others," the 14-year veteran said.

That came when he was a 19-year-old trainee on the Police Dept., answering emergency calls to 911.

One caller wanted to commit suicide, but the gentleness and understanding of Ragonese kept the would-be victim on the phone for an hour and 15 minutes, enabling police to trace the call and save the man.

Throughout the city, there are men, women and children who always will remember how Ragonese changed their lives, and gave to them what they didn't expect.

There was the young woman, Nora Benjamin, who dropped her diamond engagement ring in a sewer in Greenwich Village, weeping that it was lost forever. But Ragonese—who has a soft heart and a strong stomach—climbed into the filthy sewer on Sept. 6, 1982, and strained the muck for one hour until he found her ring.

Ragonese has risked his own life—dozens of times—to save people hell-bent on killing themselves.

He nearly drowned in the East River on Sept. 28, 1982, trying to rescue a middle-aged woman who leaped in. He struggled with her for 20 minutes, trying to keep her head above water while she fought to die.

"I was just trying to save her," he said at the time. "I didn't think about myself."

Another time, on June 13, 1984, high above Broadway on Times Square on a teetering steel construction girder, Ragonese

calmed a love-sick teenager who wanted to jump.

Inching out, eight stories above the sidewalk, Ragonese managed to help get a rope around the youth, Chris Sanchez, 16, and lower him to safety.

Even Gov. Cuomo's father-in-law, Charles Raffa, 78, said he owes his life to Ragonese's quick actions. Raffa was beaten savagely in a May 22, 1984, mugging, but Ragonese got Raffa aboard a helicopter for a race to a hospital where an operation saved his life.

But only hours later, as he wound up his shift, he was shot trying to save the life of an emotionally disturbed person trying to kill himself in a lower Manhattan apartment.

Ragonese was shot in the thumb when he threw his hand over his face to deflect the bullet fired by the deranged man.

Ragonese, the eldest of six children, always watched over the family while his father, a butcher, worked late.

He recalled that when he was 12, weighing a hefty 220 pounds, he took on a mob of five kids that was beating his kid brother, Arnie. "I showed them the error of their ways," he said.

But brawling was not in character for Ragonese. He was a star athlete and altar boy at Xaverian HS in Brooklyn.

His interest in helping others was realized during summers as a teenager by teaching at a retarded home in Marine Park, Brooklyn.

"One kid, Jimmy, was 5 and he was my favorite. He couldn't walk and was partially blind. I looked out for him because he needed someone."

Ragonese went on to St. John's University and St. Peter's College to earn his degree, and joined the Police Dept. "because my dad always stressed civil service."●

**COMPREHENSIVE HEALTH CARE
IMPROVEMENT ACT OF 1985;
CATASTROPHIC HEALTH CARE
EXPENSES ASSISTANCE ACT
OF 1985**

HON. MARTIN OLAV SABO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. SABO. Mr. Speaker, today I am introducing two bills which will assist individuals in confronting medical expenses as we continue to search for ways to contain rising health care costs.

A major problem we face along with our Nation's staggering Federal deficit is the skyrocketing cost of health care. This trend puts a great strain on the Federal budget as well as on the private sector. It also affects the quality of medical care that most Americans can afford.

The Comprehensive Health Care Improvement Act of 1985 would provide access to health insurance at group rates, provide low-income people with assistance in buying insurance, and protect all citizens from catastrophic health costs. It places a major emphasis on encouraging private businesses and individuals to provide comprehensive health insurance for their employ-

ees and for themselves. The bill would fill in the gaps in the current system of private insurance, Medicare, and Medicaid. The proposal is based upon a comprehensive health insurance and catastrophic health coverage bill passed into law in 1976 while I was speaker of the Minnesota House of Representatives.

My proposal consists of three major parts: Title I ensures that all persons have the opportunity to purchase adequate health plans; title II creates a State-Federal program to assist low-income people in buying health insurance policies or Medicare supplemental policies; and title III creates an optional State-Federal program of catastrophic health insurance for all Americans should their health costs exceed insurance coverage.

While the Federal deficit has overshadowed debate about national health insurance plans in recent years, the Census Bureau reports that 35 million Americans lack health insurance. My proposal does not call for drastic changes in existing programs or a large government organization. Assuring all Americans access to adequate coverage is too important to postpone discussion on the issue. If every State were to participate fully in the program, the Federal contribution would be about \$1.4 billion. This relatively low cost is possible because of the emphasis that is placed on private insurance and the requirement that States share in administering and financing the program. It is not necessary to scrap the current health insurance system, we simply need to fill in the gaps. By building upon this system we can assure that everyone will have access to proper coverage and improve the health and quality of life for all Americans.

The Catastrophic Health Care Expenses Assistance Act of 1985 is the same as title III of The Comprehensive Health Care Improvement Act.

A summary of the bills follow:

THE COMPREHENSIVE HEALTH CARE IMPROVEMENT ACT OF 1985, THE CATASTROPHIC HEALTH CARE EXPENSES ASSISTANCE ACT OF 1985

Title I: Establishes a standard of "qualified" health insurance plans and requires that all plans be plainly labeled "qualified" or "non-qualified."

There are four "qualified" plans:

Plan A provides minimum benefits of 80% of medical costs, limits the 20% co-payment to no more than \$3,000 a year, sets a maximum benefit of not less than \$250,000, and a deductible of not more than \$150.

Plan B is the same as Plan A but with a maximum deductible of not more than \$500 a year.

Plan C is the same as Plan A with a maximum deductible of not more than \$1,000 a year.

Plan D defines Health Maintenance Organization plans as equivalent to a Plan A.

The bill also defines qualified Medicare supplement plans as those with benefits equal to at least 50% of costs not covered by

Medicare, a maximum co-payment of \$1000 a year, and a maximum benefit of not less than \$100,000 a year.

The Department of Health and Human Services should delegate certification of insurance plan qualification to state insurance regulatory bodies whenever possible.

Title I requires that all business firms which employ ten or more persons offer Plan A or B to its employees. There is no requirement that a firm pay for an offered plan, nor is there a requirement that employees accept a plan. But employees will have an opportunity to get qualified insurance at group insurance rates. These plans must also cover dependents and must be fully convertible if the individual leaves the group.

States would be required to establish a state-wide pool of all health insurance companies. This pool will offer qualified insurance to any individual at group rates. This provision establishes a group of all persons not eligible for a regular group plan such as the self-employed, those in firms with less than ten workers, and many rural Americans. Allows firms to pay all or part of the premiums of the pool insurance so that small firms not usually eligible for group insurance can assist their employees with insurance premiums.

Title II: Establishes a federal-state program to assist low income persons in purchasing insurance made available in Title I.

Federal government pays 50% of the cost up to a maximum of \$5.00 times a state's total population. Maximum federal liability would be about \$1.2 billion matched by at least \$1.2 billion in state funds for a \$2.4 billion program.

States would not be required to establish a program. Those that design a program would have wide flexibility in designing plans to suit their own states' needs. States would be able to experiment with total subsidy of purchase, cost-sharing, or sliding fee schedules.

The bill would help senior citizen couples where one spouse requires long-term nursing home care. Currently, a substantial amount of a couple's income and assets must be spent before they are eligible for medical assistance. The bill would allow states to set more flexible income and asset requirements in those cases so that the healthy spouse is not left with inadequate funds.

Title III: The Catastrophic Health Care Expenses Assistance Act of 1985 creates an optional federal-state program of catastrophic health insurance for all Americans.

After an individual has exhausted existing coverage, the program would cover at least 90% of all medical costs exceeding the greater of \$2,500 or 30% of household income up to \$15,000, 40% of income over \$15,000 and less than \$25,000 and 50% of income over \$25,000.

The federal government would pay 75% of the costs of the program, with a maximum of \$2 times the population of the state involved. The maximum federal cost would be about \$460 million with a minimum state match of approximately \$154 million.●

THE COURIER-NEWS ON TAX REFORM

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. COURTER. Mr. Speaker, the Courier-News, a leading editorial voice in New Jersey, recently published an outstanding essay on tax reform that I would like to share with my colleagues.

The Courier-News points out that by removing the poorest Americans from the tax rolls, lowering marginal rates, and treating all types of income more fairly, the President's tax reform proposal is in the general interest, and against the special interests.

I urge my colleagues to review this excellent editorial as the tax reform debate proceeds.

A REVOLUTION WORTH FIGHTING

"No taxation without representation" was a rallying cry of the American Revolution. President Reagan hopes to lead a Second American Revolution on the premise that taxation can be pretty bad even with representation.

He's right. Americans are confused and embittered by a tax system that seems designed for special interests. And Reagan's reform is revolutionary.

It would cause a huge shift of the tax burden from individuals to corporations. Total taxes from individuals would be reduced by about 7 percent; corporate taxes would rise about 9 percent.

It would cause a huge shift among individuals. About 80 percent would pay less or the same amount. The other 20 percent—those who use a lot of the deductions that would be eliminated or curtailed—would pay more.

And Reagan's plan would cause a huge shift among businesses. Many smokestack industries that pay little or no tax by claiming certain credits and deductions would pay more. But many service and consumer industries that have been paying at rates up to 46 percent would pay less; the maximum rate would be reduced to 33 percent.

These shifts represent dozens of changes in the tax code. Each change will be resisted by those who would lose by it, no matter the overall benefits of tax reform.

Indeed, to get some idea of the pleas each senator and member of Congress will hear, consider what the president of the National Hockey League says about the tax deduction for corporate purchases of hockey tickets: "Sport . . . reaches something in each of us that inspires the individual and endows him with a sense of fellowship . . ."

If eliminating the business deduction for hockey tickets will leave us a nation uninspired, then the consequences of the President's whole tax package are too horrible to contemplate.

The President's plan is far from perfect and should be dissected. It no doubt will be combined with features of other tax-reform proposals, such as that of Sen. Bill Bradley of New Jersey and Rep. Richard Gephardt of Missouri.

Many New Jerseyans, for instance, would be socked by the elimination of deductions for state and local taxes. The Congressional Research Service estimates the average Jersey family that itemizes would pay an

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additional \$1,129 a year in federal taxes. However, many New Jerseyans do not itemize, and even many who do would have the loss offset by a reduced tax rate.

Some specific provisions, such as the taxation of employer-paid medical benefits, could be improved. The president would leave in place tax breaks for the oil and gas industry that no other industry would enjoy. And there's nothing magic about having only three individual tax rates.

But overall, the kind of tax reform envisioned by Reagan would be very good for this country.

It would lead investors to put money in productive enterprises instead of tax shelters. For example: There is a glut of office space in America's cities because of real estate tax breaks; that money could instead be working to make companies more competitive in international markets.

It would eliminate taxes for families living in poverty.

It would make individual taxes fairer because all types of income would be treated more equally, and many tax shelters used only by the wealthy and sophisticated would be eliminated.

The President and Congress will have a hard time keeping their minds on the overall benefits of tax reform, however, as individual interests collide and cajole to protect their favorite tax provisions.

That is why Reagan and the Democratic chairman of the House Ways and Means Committee, Dan Rostenkowski, have appealed to the majority of Americans who support tax reform to let their representatives know it.

Tomorrow we will help provide you an opportunity to show that support, or to show your opposition. We will publish a brief survey on tax reform. We will tabulate the results and let you know what they are. Then we'll forward your survey to the appropriate member of Congress.

We like the type of tax reform that President Reagan has proposed. But whether you do or not, taxes touch us all, and you should let your representative know what you think.●

VETERANS HEALTH CARE BUDGET CANNOT BE REDUCED FURTHER

HON. G.V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. MONTGOMERY. Mr. Speaker, the House and Senate are expected to go to conference next week on the budget for fiscal year 1986. Many Federal programs will be affected. The decisions we must make will not be easy. We all have different priorities.

A very high priority of mine is veterans health care. I want my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. Who is better able to relate the problems in the field than the people in the field?

According to the Chiefs of Staff at VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll. More cuts in the budget will mean

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longer waiting lists, the turning away of certain nonservice-connected veterans, and delays in many surgical procedures.

There follows a report from the Chief of Staff at the VA Medical Center in Seattle, WA:

VETERANS ADMINISTRATION,

Seattle, WA, January 28, 1985.

HOWARD H. GREEN, M.D.,

Chief of Staff (11), VA Medical Center, White River Junction, VT.

DEAR HOWARD: The following information, pertaining to the Seattle VAMC, is provided in response to your letter dated January 2, 1985:

- (a) Size of hospital—300 beds.
- (b) Affiliated?—Yes; with University of Washington School of Medicine.
- (c) Projected dollar deficit as of January 1, 1985—0.
- (d) Impact of dollar deficit—Not applicable.
- (e) Solutions you have devised—Not applicable.
- (f) Other comments—As you know, I left the University Drive VAMC in Pittsburgh in November 1984, to become the Chief of Staff of the Seattle VAMC. The University Drive facility is struggling with serious financial deficits and has not devised successful strategies to cope with the fiscal shortages. The pharmacy runs out of important inventories near the end of each quarter, ward supplies are often seriously limited, linens are in short supply, and delays in replacing personnel have limited some important clinical functions.

I agree with Dr. Wolcott's conclusion "that 'enough is enough.'" I am pleased that you and he, as Chiefs of Staff, have initiated this request for information and that you are attempting to raise our level of consciousness of these serious financial problems. However, the dialogue must be extended to involve directors, regional directors and pertinent VACO officials. I wonder how these individuals would respond to your request for information.

Sincerely,
STANLEY J. GEYER, M.D.,
Chief of Staff.●

UNSUNG HEROES GIVE LAW DAY, U.S. CONSTITUTION, NEW MEANING

HON. GARY L. ACKERMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. ACKERMAN. Mr. Speaker, I would like to bring to the attention of my colleagues in the U.S. House of Representatives a column in the May 4 edition of the New York Times written by Mr. Eugene Fidell.

The article discusses a little-known national holiday, Law Day, and reminds us that we in the United States are privileged to have the right to protest or picket; to speak our minds to the elected officials who represent us; and to hold and express views that are different from those of our neighbors.

Mr. Speaker, Mr. Fidell makes some interesting and very relevant points about the freedoms that we enjoy in

this country. This column is extremely timely and effectively brings home the importance of the principles our democracy is founded upon—tolerance, protection by law of our civil liberties, and the right to think and live as we choose. The article follows, and I would like to ask all of my colleagues in the U.S. House of Representatives to take note of this excellent piece by Mr. Fidell.

LET US NOW PRAISE UNFAMOUS MEN

(By Eugene R. Fidell)

Let's push aside the cast of reputable—and conventional—characters that clutter the podiums each year on Law Day, sermonizing on the principles of order that, we are told, are the glue of society. Instead, we should reserve space on this minor, but important, national holiday for the unsung heroes—society's soreheads.

We should honor every neighborhood activist who dares ask a question in a town meeting.

Every ruffled and disgruntled holder of two shares of stock who takes the floor at the corporation's annual meeting.

Every write-in candidate.

Every taxpayer who fights back during an I.R.S. audit.

Every citizen who uses the Freedom of Information Act and who writes his or her Congressman with instructions on how to vote.

Every last person who comments on proposed Federal regulations.

Picketers of all shapes and sizes, including every "street crazy" who patrols public buildings with sandwich signs deploring injustices, real and imagined.

Every writer of letters to the editor, jailhouse lawyer, holdout juror, contestor of jaywalking tickets, filer of small claims.

Every objector to advertising on license plates.

Everyone who wears a beard when shaving is in fashion, and shaves when beards are in vogue.

Every proud owner of an Edsel.

Everyone who actually puts a suggestion in the suggestion box.

In sum, everyone who is different and wants to remain so.

These are our fellow citizens whose "saint's day"—Law Day—was observed Wednesday. In all their disorder, noise, ability to annoy, pride of difference; in all the expense they impose on our courts, legislatures, schools, businesses; in all their pious beauty, the celebration was theirs.

Let us, therefore, honor them, for, by their very being, they breath life into our Constitution, perhaps more effectively than the loftiest discourse on the First Amendment. Imagine a world without them—and the grandeur of that document gains meaning. ●

HONORS—SOCIETY OF FELLOWS

HON. MEL LEVINE

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. LEVINE of California. Mr. Speaker, I am pleased to call to the attention of my colleagues the fact that the University of Judaism recently inducted Allen Ziegler into its Society of Fellows.

This unique and highly privileged honor was an extremely appropriate one for Allen Ziegler who has devoted so much of his time, energy, and resources to the University of Judaism and a host of other community activities.

I ask unanimous consent to include at this time into the RECORD a copy of Allen Ziegler's biography as it was presented at the 35th annual commencement program of the University of Judaism on the occasion of Allen Ziegler's induction into the Society of Fellows.

HONORS—SOCIETY OF FELLOWS

Allen Ziegler—With his induction into the Society of Fellows, philanthropist and industrialist Allen Ziegler joins a select group of individuals honored by the University of Judaism as outstanding patrons of Jewish education and learning.

"Allen Ziegler is a rare human being, generous to a fault, and deeply devoted to the Jewish people," said Dr. David Lieber, president of the University of Judaism. "Though he prefers to keep in the background, he has shown the way to others, freely giving of himself to further our religious heritage."

Mr. Ziegler's dedication to the education of future Jewish generations is reflected in the University of Judaism and Camp Ramah, both of which he helped found and has supported generously throughout the years. The Ruth and Allen Ziegler Administration Building on the UJ's Sunny and Isadore Familian Campus, a student scholarship, and a cabin at Camp Ramah which bears the Ziegler name are just a few of many Ziegler gifts.

The University of Judaism also has benefited from Allen Ziegler's counsel and advice as a longtime member of the Board of Directors and its Executive Committee. In 1960, he was honored by the Patrons Society as the first recipient of the Eternal Light Award for his tireless efforts on the university's behalf.

A second-generation member of Sinai Temple, where he became a bar mitzvah in 1928, Allen Ziegler was one of the people who made it possible for the synagogue to move to its present location on Wilshire Boulevard. One of his proudest memories is of the day he, his sisters, and brothers brought their then 86-year-old mother to the dedication of Sinai's Ziegler Hall, named in honor of his father. Mr. Ziegler has held a number of offices at Sinai, including president, and his myriad contributions to the synagogue moved the congregation to name him Honorary Life President.

Many other organizations have been the recipients of Allen Ziegler's generosity and good will. Cedars-Sinai Hospital, which boasts the Ziegler Laser Research Laboratory for the Reestablishment of Coronary Circulation, recently honored him with its "Heart of Gold" Award for his years of service and involvement. Mr. Ziegler is a charter member and Gold Card member of the Beverly Hills B'nai B'rith Lodge, and has been an avid supporter of the City of Hope, Jewish Homes for the Aging, the UJA, and Israel Bonds.

Westco Products, of which Mr. Ziegler serves as Executive Vice President, is the leading bakery supply manufacturer in the Western United States, and one of the largest of its kind in the country. It has been the Ziegler family business for more than forty years.

Both Allen Ziegler and his wife Ruth are USC alumni, and continue to support the school's Alumni Association. Mr. Ziegler also is a graduate of the USC School of Law.

Dr. David Lieber offered this observation about Allen Ziegler: "Time and again, he has proven himself to be an extraordinarily loyal friend, who can be counted on whenever we need him."

The University of Judaism warmly congratulates its longtime friend, Allen Ziegler, on his induction into the distinguished company of the Society of Fellows. ●

PENSION PLAN PARITY FOR THE SELF-EMPLOYED

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. JEFFORDS. Mr. Speaker, today my colleague, BILL CLAY, and I are introducing legislation of a technical nature to complete the process begun in 1982 to eliminate distinctions in the pension law between qualified plans for the self-employed and their employees (H.R. 10 plans) and the plans maintained by corporations. Generally, our bill extends the principle of parity embraced under TEFRA (the Tax Equity and Fiscal Responsibility Act of 1982) to the one area overlooked in that legislation—that is, to loans made to plan participants under H.R. 10 or so-called Keough plans.

In making the 1982 changes, Congress believed that the level of tax incentives made available to encourage an employer to provide retirement benefits to employees should generally not depend on whether the employer is an incorporated or unincorporated enterprise. Similarly, Congress believed that the rules needed to assure that the tax incentives available under qualified plans are not abused should generally apply without regard to whether the employer maintaining the plan is incorporated or unincorporated.

By amending section 4975(d) of the Internal Revenue Code and section 408(d) of ERISA (the Employee Retirement Income Security Act of 1974) to permit certain participant loans, our bill removes the major remaining impediment to full pension plan parity for the self-employed. Specifically under present law, a qualified corporate plan is permitted to make a loan to a plan participant if certain requirements are met. Generally, the loan must bear a reasonable rate of interest, be adequately secured, provide a reasonable repayment schedule, and be made available on a basis which does not discriminate in favor of employees who are officers, shareholders, or highly compensated. The technical amendments under the bill would extend the identical corporate plan requirements with respect to participant

loans to the plans maintained by the self-employed. Given the corrective nature of these amendments, we anticipate these changes to be taken up this year in the context of technical corrections to the appropriate statutory law. The text of the bill follows:

H.R. —

A BILL To amend the Internal Revenue Code of 1954 and the Employee Retirement Income Security Act of 1974 to permit certain loans from employee benefit plans to owner-employees and shareholder-employees.

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

SECTION 1. AMENDMENT OF INTERNAL REVENUE CODE TO PERMIT CERTAIN LOANS FROM QUALIFIED PLANS TO OWNER-EMPLOYEES AND SHAREHOLDER-EMPLOYEES.

Subsection (d) of section 4975 of the Internal Revenue Code of 1954 (relating to exemptions from prohibited transaction provisions) is amended by striking out "(other than paragraphs (9) and (12))" in the sentence following paragraph (15) and inserting in lieu thereof "(other than paragraphs (9) and (12), and, except in the case of an individual retirement plan, other than paragraph (1))".

SEC. 2. AMENDMENT OF ERISA TO PERMIT CERTAIN LOANS FROM EMPLOYEE BENEFIT PLANS TO OWNER-EMPLOYEES AND SHAREHOLDER-EMPLOYEES.

Subsection (d) of section 408 of the Employee Retirement Income Security Act of 1974 is amended by striking out "and subsections (a), (b), (c), and (e) of this section" and inserting in lieu thereof "subsections (a), (b) (other than paragraph (1) thereof), (c), and (e) of this section, and subsection (b)(1) of this section in the case of an individual retirement plan (as defined in section 7701(a)(37) of the Internal Revenue Code of 1954)".

SEC. 3. EFFECTIVE DATE.

The amendments made by this Act shall take effect on the date of the enactment of this Act. ●

THE CONSUMER BANKING ACT OF 1985

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. SCHUMER. Mr. Speaker, earlier this week I introduced the Consumer Banking Act of 1985. It is my hope that this legislation will help bring about needed reforms in a rapidly changing banking industry that has left the average consumer often confused and sometimes abused.

The U.S. banking system touches the lives of virtually every citizen of this country on a daily basis, yet few segments of our society are as far removed from meaningful consumer control and accountability as our financial institutions. The banking industry has undergone radical changes in style and structure over the past few decades, yet its centuries-old image as an aloof and mysterious business is as valid as

ever for the majority of American citizens.

While many of the changes that have ripped through the banking world in recent years have been publicly justified on the basis of their "benefits to consumers," for the most part these changes have been suggested by, lobbied for, and enacted, either legislatively or by regulation, in order to benefit one or more segments of the banking industry. So, in this new world of banking, just what do consumers see?

They see fees and charges rising rapidly, sometimes being notified of changes when they show up as a deduction on their monthly or quarterly statement.

They see banks placing "holds" on their checks far in excess of the time it takes to collect the funds, earning interest on the float while the consumer is denied access to his or her funds.

They see banks leaving their neighborhoods preferring to pursue risky new "high flyer" opportunities than to lend to the local small businessman or homeowners.

More and more of them, and particularly those with low incomes, see the doors closing to them, as restrictive requirements have made bank accounts too costly or inaccessible.

They see a multitude of mortgages (and, increasingly, other loans) offered with a variable interest rate, with no standardized way to compare them, each advertised in a different way, and few of them understandable in plain language.

They hear about the banks that offer the "good" deals on basic services, but can't seem to find them, and even have difficulty getting information out of the banks to facilitate their own comparison shopping.

They know that many of the most important decisions affecting their relationship with banks and thrifts are made by regulatory agencies or courts, but frequently they are powerless to affect the outcomes in these forums, as they lack a voice that can speak for them with the expertise and depth of knowledge necessary for effective representation.

There is a dramatic need to reexamine the entire financial service system from the consumer's perspective rather than the industry's for once—the ordinary consumers, the ones who pay the bulk of the bank fees, the ones whose bedrock confidence in the system is its most valuable asset, but whose confidence is being worn down by the feeling that they are not being treated fairly by their bank.

They know, as events in Ohio and Maryland have poignantly shown them, that sometimes the bank they are doing business with is not as solid as it seems, and that they should get more information about it, but they

don't know the first place to begin and have no one to turn to for help.

That is why I am introducing the Consumer Banking Act of 1985, which is the result of such a consumer-oriented reexamination of the banking system. This has been a major undertaking, and I need to thank a number of individuals and groups whose efforts have been essential to the research and development of this bill. They are: Ralph Nader, the Consumer Federation of America, Public Citizen's Congress Watch, Consumers Union, U.S. PIRG, the Center for Community Change, the Bankcard Holders of America, and the National Committee Against Discrimination in Housing.

A summary of the bill follows:

SUMMARY

TITLE I EXPEDITED FUNDS AVAILABILITY

Current bank practices involve holding periods ranging from 1 to 15 days, even though the Federal Reserve testified that 99 percent of all checks are paid in two days, and most of the rest of them are paid shortly thereafter. This provision shortens the maximum time that a financial institution may "hold" a check to 1-3 days, depending upon the category of checks, with exceptions for checks which present a high risk of loss to the institution of deposit.

TITLE II CONSUMER ACCESS TO DEPOSITORY INSTITUTIONS

This provision requires all financial institutions to offer a basic "lifeline" checking account to all consumers with a small initial balance requirement, and no fees or charges for a limited package of services. Account holders would be allowed 8 free checks per month, with a \$1.00 per check charge thereafter, and could not be assessed any charge for maintenance of the account or for making deposits.

In addition, depository institutions would be required to offer (for a charge equal to the reasonable costs of processing) consumers a check cashing card which would allow the holder to cash any government check without charge.

TITLE III TRUTH IN DEPOSITING

This provision requires all depository institutions to maintain a schedule of fees, charges, terms and conditions applicable to each account it offers. The information on the schedule must include, among other things, information on minimum balances required to open or maintain an account, maintenance charges, per transaction charges, early withdrawal charges, balance inquiry charges, and interest rates.

The interest rate disclosure must include a statement of the interest rate, deposit period, method of compounding, and the "annual percentage yield", a standard measure of interest rates that allows comparison between different interest rate options. Advertisements for deposits would also be required to disclose this information.

TITLE IV CONSUMER-BAISED PREEMPTION

This provision will provide that, unless Congress explicitly provides otherwise, federally-chartered banks, thrifts, and credit unions must comply with all state laws which provide better consumer protection, better promote community reinvestment, or better protect against credit discrimination than federal law. In New York, for example,

the state issued regulations governing check hold periods, only to have the Federal Home Loan Bank Board preempt the law for federally-chartered thrifts. Actions like this will be prevented by this provision.

TITLE V ADJUSTABLE RATE MORTGAGE PROVISIONS

This title has three parts. First, it amends the Truth in Lending Act to require a detailed disclosure of ARM terms to prospective borrowers, including a "worst case" scenario, in which the lender must disclose the maximum interest rate and payment that could be required under the mortgage, and the earliest dates on which such rate or payment might take effect.

Second, this title applies certain safeguards to all ARMs, including a two percent annual interest rate cap, five percent life-of-loan cap (based in the initial rate), and a cap on negative amortization at the purchase price of the home.

Third, it helps promote a consumer-oriented adjustable rate mortgage by requiring institutions which receive federal net worth guarantees must offer a mortgage in which annual payment increases are determined by the average growth in wages rather than by the cost of funds, and negative amortization is limited to one fifth of the average appreciation rate of homes in the U.S. The Federal National Mortgage Association will be directed to purchase these mortgages from the origination institutions.

TITLE VI FINANCIAL INSTITUTIONS CONSUMER INFORMATION AND REPRESENTATION ASSOCIATIONS

In order to help consumers cope with the modern financial world, this title will provide non-financial federal support for the formation of statewide membership associations of financial institutions consumers. The purpose of these associations is to promote the interests of consumers in financial service matters, by conducting research, surveys, and investigations, and by representing, informing, and educating consumers in financial service matters.

The federal support offered to these institutions will be the right to place inserts into a limited number of deposit statement mailings of federally-insured financial institutions, in order to inform consumers about the association, and to survey them about financial services. Any additional cost of mailing caused by the insert will be borne by the association. Such associations offer a low-cost, non-regulatory, self-help approach to consumer protection in financial services.

TITLE VII COMMUNITY REINVESTMENT ACT AMENDMENTS

This title rewrites and expands the current CRA to insure that financial institutions meet the credit needs of the communities they service, including low- and moderate-income neighborhoods, consistent with safety and soundness.

Principal changes to the Act include:

Requiring public disclosure of CRA rating (from No. 1 to No. 5, with No. 1 being the highest), and allowing public comment on preliminary ratings of No. 1 or No. 2 before a final rating is given, both of which are necessary to improve the quality of CRA examinations;

Limiting interstate expansion only to those institutions with the top two ratings;

Limiting the use of real estate equity investment powers on a sliding scale linked to the CRA rating, similar to proposed regulations in New York state; and

Enacting a system of assessments and rebates supervised by the FDIC and FSLIC in

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which institutions with poor CRA ratings would face a monetary sanction, and institutions with the best CRA ratings would receive a benefit. Such a provision would give teeth to the enforcement of the Act.

TITLE VIII EQUAL ACCESS TO FINANCIAL SERVICES

Prohibits depository institutions from adopting or maintaining any policy practice or standard which results in denying or discriminating in the availability or terms of financial services because of race, religion, sex, or national origin, unless such policies, practices, or standards are justified by proof that they are required by reason of safety and soundness or other business necessity.●

HONOR THOSE WHO MADE THE ULTIMATE SACRIFICE

HON. JOHN R. MCKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. MCKERNAN. Mr. Speaker, I wish to direct my colleagues' attention to an article written by one of the foremost leaders of veterans in Maine, Mr. Daniel E. Lambert, for Memorial Day, 1985.

Dan Lambert is the State adjutant of the American Legion of Maine and the chairman of the Maine Veterans Coordinating Committee. He is widely respected throughout the State of Maine by both veterans and nonveterans.

On the occasion of Memorial Day, 1985, Dan eloquently wrote of Americans who made the ultimate sacrifice for their country. He wrote of honoring their deaths on that special day and remembering the reasons why they were willing to make sacrifices. Dan reminds us that we must also reflect on the peace and freedom that these sacrifices have made possible.

I ask that Dan Lambert's article, which appeared in the Bangor Daily News on Memorial Day, May 27, be inserted in the CONGRESSIONAL RECORD so all may have an opportunity to read it.

The article follows:

HONOR THOSE WHO MADE THE ULTIMATE SACRIFICE

(By Daniel E. Lambert)

Today we pay homage to those who have given their lives for this country.

All across the nation, in tiny church-yards and in rolling national cemeteries, Americans are pausing to pay tribute to their loved ones and their friends.

It is in those moments, with sadness and with pride, that we remember those who died to keep this nation free.

It is a time of reflection, it is a time of honor, it is a time of renewal.

Tradition compels us to reflect momentarily about why Americans have died in far-off countries. The simple answer is: They died in defense of their country. The total answer is not so simple.

Freedom is a tangible thing. Devotion to the preservation of freedom—ours or someone else's—is not so tangible.

Reflect for a moment, if you will, about that passion, that all-consuming desire to allow peoples all over the globe the choice of freedom. It is in the American spirit to champion freedom. It is ingrained in the character of every man, woman and child. It is something we are willing to die for.

Tradition on Memorial Day also gives us pause to honor those who, in their desire for freedom, gave their lives so that others could live in peace because peace, too, is ingrained in every American's character. We honor our dead in many ways. We offer speeches. We give them rifle salutes. We offer prayers in their names. We cherish their memories.

Today, all across the nation, Americans will place flowers and small flags on final resting places of those who died to keep this nation free.

Everywhere, in solemn ceremonies, other Americans will show their gratitude and honor for those who stood up to be counted when their country needed them.

The dead have given all they have to us. It is for us to repay them in a special way. It is for us at this time each year to instill in every generation, now and yet to come, a deep appreciation and full understanding of the meaning of why they died.

Americans who die at Shiloh and Gettysburg did not die in vain. They bought with their lives, a united nation and secured equality under the law for everyone.

Americans who died "over there" were the price our great nation paid to avoid oppression and ruin.

And Americans who died in faraway lands, places like Iwo Jima and the Ardennes, Inchon and Vietnam, did not give their lives for nothing. They died to make the world a safer place to let people breathe free.

Those of us who are old enough to have experienced war must recognize our continuing responsibilities to our country, not the least of which is that the sacrifices we remember this Memorial Day must be made meaningful to every new generation of Americans.

Only by carrying out these continuing responsibilities can we insure that the sacrifices made by those whom we honor on this occasion shall not have been in vain.

Making this point of a Memorial Day observance does not heal the sense of loss in the hearts of those who mourn. But it can give them a renewed faith and a new sense of satisfaction in the knowledge that the love that was given could prove to be a gift of love and the gift of love to the future generations of this nation.

It is their deaths we honor today. It is not the wars, that claimed them that we honor. We who have served know all too well that war is not glorious.

As we observe this American day of remembrance we signal to the world that we will not let those ideals for which these brave men and women died ever pass from our memories. A clear signal to those who would threaten freedom: Do not underestimate the will of this free nation.

This ceremony is our way of keeping alive the spirits and accomplishments of our fallen comrades. It is our obligation to them. If we do less than that, we will have failed to impress upon all people that millions have suffered war to maintain the rights of free people everywhere to life, liberty and the pursuit of happiness.

As we pause to reflect upon the sacrifices rendered by those Americans we honor on this Memorial Day, let us not lose sight of the fact that we must remain ever vigilant,

strong, and united in preserving peace and freedom in the world.

We must renew our commitment to preserve all that Americans stand for. We must not shirk from our responsibility to remain a capable deterrent in troubled times.

And so we pause on this Memorial Day to reflect on the dedication to freedom that is a part of every American. We pause to honor Americans who have given the ultimate sacrifice. We pause to renew our commitment to preserving peace for all freedom-loving countries.

On this Memorial Day 1985, we can do no less. ●

ARMS CONTROL CHARADE

HON. THOMAS F. HARTNETT

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. HARTNETT. Mr. Speaker, I would like to bring to the attention of the House an article by columnist George F. Will, which appears in the June 6, 1985 edition of the Washington Post. As we approach the week in which we shall debate the defense authorization bill, I would encourage my colleagues to consider the wisdom of the words which appear below.

WHY CONTINUE THE ARMS CONTROL CHARADE?

(By George F. Will)

The envelope, please.

The award for Most Preposterous Argument of 1985 (no use waiting; this one is untoppable) goes to an argument for continuing U.S. compliance with the unratified SALT II treaty even after Dec. 31, when it would have expired anyway. The argument is: To abrogate SALT II limits would send a bad "signal" to Moscow at a "delicate moment" in the arms control process.

How can something dead be delicate? And what could be worse than the signal this president would send by continuing compliance with a treaty that a Democratic-controlled Senate refused to ratify in 1979—a treaty candidate Ronald Reagan denounced as "fatally flawed"?

When the Trident submarine Alaska enters service this autumn, the United States will exceed SALT II limits on MIRVed missiles, unless a Poseidon submarine is scrapped. But arms control has become such a virulent superstition that preservation of an unratifiable treaty is considered crucial.

Newsweek solemnly—nay, apocalyptically—"reports" that abandonment of even the expired, unratified SALT II would be an "ominous" threat to "the whole fragile web of restraints on the nuclear-arms race that have been negotiated since 1963."

Now, "fragile" hardly describes "restraints" that have coincided with the unprecedented Soviet buildup. Newsweek's warning is woven—talk about fragile webs—primarily from four unnamed sources. Given the caliber of their arguments, their desire for anonymity testifies to an endearing capacity for embarrassment.

Newsweek reports that "one U.S. official bluntly says": "The question is whether we begin to unravel arms control in the hope that it can be woven back together—or whether to demolish it." Blunt? Unintelligible. Anyway, if everything arms control has

accomplished can be demolished by treating an unratifiable treaty as what it is—a dead letter; if arms control depends on complying with an agreement that the Soviets are violating wholesale; if so, what, precisely, is the arms control edifice that will tumble down?

Pointing with pride when there is nothing to be proud of can be amusing. A flack for a losing basketball team announced that his squad's record was 19-0 in games they led at the end of the fourth quarter. That flack belongs in Geneva; he is a born arms controller. He, perhaps, could point with pride to SALT II, under the "restraints" of which the Soviets have added 4,000 warheads and can add several thousand more without violating its "limits."

Newsweek reports that a "senior Russian diplomat" says new agreements in Geneva will be impossible unless the United States continues to comply with SALT II. But there has been no progress in Geneva since January, and the Soviet regime insists progress will be impossible until President Reagan abandons his Strategic Defense Initiative, which he will not do. So the Soviet diplomat is merely adding a redundant insult to the arms control farce.

Newsweek reports that "one British Foreign Office official" says: "It is one thing to put more pressure on the Russians and quite another to abandon the treaties altogether." Yes, but it is a third thing to adhere to a treaty you denounced in 1979 and that you say the Soviets are violating promiscuously. Leaving aside the nice point of whether you can "abandon" an unratified and expired treaty, this is clear: If this president—the denouncer of SALT II, the documenter of Soviet violations of it—continues to comply with it, Gorbachev will reasonably conclude that this president is unserious about compliance—and perhaps about everything else.

A "senior administration official" tells Newsweek this is "the most important foreign-policy decision the President is ever likely to make." True, but not for reasons arms controllers give. The president must deal with the Soviet regime regarding the Middle East, Afghanistan, Central America. If he caves in concerning SALT II, and tries to cover his cave-in with a tricky, transparent, cosmetic maneuver, the Soviets will dismiss him as all noise.

The cosmetic solution would be to mothball but not dismantle a Poseidon. This would be a secondary failure of nerve about the primary failure of nerve. It would collapse the president's credibility by showing him unable to justify continuing compliance but afraid to brave the reflexive wrath of the arms control lobby.

Secretary of State George Shultz is off on the charade of "consulting" allies, who will urge continued compliance because the arms control charade is the opiate of their masses. But a task of diplomacy—and of a Great Communicator—is to explain courageously the need to act unfashionably.

In 1979 arms control was, as always, fashionable, but many senators courageously opposed SALT II. The Foreign Relations Committee, a nest of doves, approved it by only a single vote. The Armed Services Committee rejected it. If Ronald Reagan, who helped stop it then, will not abandon it now, three years stretch ahead like a dangerous Sahara. ●

NATHAN CUMMINGS 1896-1985

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. GREEN. Mr. Speaker, Nathan Cummings was known to the business community as a statesman of industry and the head of one of our country's major companies, the Consolidated Food Corp. He was known to the cultural community as a philanthropist and owner of one of the world's finest art collections. He was known to his family and friends as a man of kindness and compassion, a person of rare, God-given qualities. With his passing, our country and his community has suffered a great loss. Mr. Speaker, the impact of Nathan Cummings' contribution to our society was fittingly noted in the eulogy delivered by John Bryan, his successor at Consolidated Foods, now known as Sara Lee Corp. I therefore ask unanimous consent to have Mr. Bryan's tribute to Nathan Cummings included as part of the CONGRESSIONAL RECORD.

NATHAN CUMMINGS EULOGY

(By John H. Bryan, Jr.)

For the last 10 years of his life, I had the opportunity to know Nate Cummings intimately and from a unique perspective.

You see, it has been my lot to give direction to the corporation he founded back in 1939. For this past decade, I have been the chief officer of what is, for all time, Nathan Cummings' most important business legacy—Consolidated Foods Corporation.

In that capacity, I saw Nate often. In fact, we had planned a visit in Florida this past Wednesday. But that was not to be. We spent a lot of time on the telephone over those years. Nate liked the telephone. We traveled together. I enjoyed and liked him very much. We were very close.

But no matter how well we all knew Nate Cummings, he never ceased to surprise and delight us. Right now, I especially remember one occasion last October—Nate's 43rd appearance before his company's annual stockholders' meeting.

Nate was not in great health last fall, and we were not sure he would be able to address the annual meeting—but he was sure, and he joined us in Chicago. As usual, he was introduced to the stockholders and—with a little assistance—walked to the lectern as a reverent and excited crowd stood to applaud. Let me read to you from a transcript of his opening remarks at that meeting.

"I think I'm going to indulge in a glass of water," Nate began. The audience smiled as he theatrically drank the water. Nate slowly surveyed the overflow crowd of stockholders, and went on. "All the previous speakers this morning had their notes in front of them," he said, "but I haven't got any notes. Whatever I've got is part of me. A week ago last Sunday I went to Montreal to visit my younger brother who has been married for 65 years. That's quite a span. And I had a wonderful time. Last Sunday I was 88 years old—I mean young. I almost made a mistake. I feel like 50! And when I see this crowd of stockholders, believe me, it makes

my heart swell." That audience was enraptured as I have never seen it before.

Nate went on to talk extemporaneously about the ways in which Consolidated Foods touches the lives of people throughout the world—and about his hopes for the company in the future. And as I listened to him, I remember wishing that everyone connected with Consolidated Foods could hear his message, could see his positive and optimistic attitude, and witness this remarkable man's vision.

Next week, I shall send a personal communication to all the directors, officers and management of Nate Cummings' company. In some small way, I want to capture the qualities that Nate displayed so well at last October's meeting . . . because I want our present generation of managers to learn from—and appreciate—the lessons of this great man's life.

Let me mention some of those lessons.

As a businessman, Nate Cummings' really important lesson is that determination and tenacity are so essential to success in business. Nate Cummings would not give up very easily. So many of today's aggressive young managers with master's degrees are actually distraught if they haven't become a vice president by age 40. I like to tell them about this man with little formal education. At age 43—after persevering through business reversals—he started over again by buying a small company in Baltimore—and then lived to see it become one of the 50 largest industrial enterprises in all America. What a lesson in tenacity!

And most of you are familiar with a quotation that was Nate's favorite for as long as I can remember. "Nothing will ever be attempted if all possible objections must first be overcome." It is a powerful lesson for today's managers.

I also want them to learn from Nate's enthusiasm and his positive attitude. I never heard Nate Cummings complain. He never said he felt bad. If you asked him how he was, his answer was always, "I feel great!" Even in his later years, he had that powerful handshake that surprised—and inspired—so many people. And he took hold of every task with the same enthusiasm. That kind of optimism and zest is such an important lesson for leadership, and Nate Cummings was the best example I know of that idea in action.

And I want our managers to learn a lesson from Nate's extraordinary ability to deal with adversity. He never agonized about a business setback. I can still hear him saying, "John, don't worry—there'll be another deal." He had an uncanny knack for coping with the stresses and strains of business life and he could relax at any time. That was an important reason for his success and in itself is a lesson worth remembering.

Nate taught another lesson that is not widely recognized—he was always willing to listen to, and follow, the advice of others. Now, he had a strong personality. He could very easily say no. But he was also strong enough to delegate, and to accept the counsel of those he trusted. It was a characteristic that served him and the company well. And it's a lesson that every manager should remember.

And finally, I want to draw one other lesson from Nate Cummings' life. Because as ambitious and tenacious as he was in business, he always placed his work in its proper perspective. Nate was not a one-dimensional man.

He was unabashed in his devotion to his family. His life revolved around them. He

thought of his children, grandchildren and great-grandchildren as his greatest success.

And he was so enthusiastic about his art. He genuinely enjoyed buying it. He loved showing it to people who visited his apartment. He got so much pleasure loaning it to friends, companies and museums. He collected and shared his art for more than 40 years. It was an important part of his life.

And Nate was indeed a philanthropist. He truly enjoyed giving. The vast majority of everything he ever made has gone or will go to charitable causes. A full accounting of his generosity may never be made. But it was extraordinary.

Nate Cummings always shared his talents and resources beyond the business world, and that's an important lesson for the people of our company. It is difficult to summarize all the qualities of Nate Cummings in a few words. But I believe very strongly that these lessons of his life should not be lost to those of us who follow him at Consolidated Foods.

In an increasingly impersonal world—in a company with more than 100,000 employees—it is an enormous asset to be able to identify with a founder and the ideas he represents.

So at Consolidated Foods, we will keep Nate's memory alive in a number of ways:

Through our corporate collection, which is the Nathan Cummings Memorial Collection.

Through the Nathan Cummings employee scholarship program.

Through a recently established employee international student exchange program that bears Nate's name.

And through a book which will chronicle the history of our company and will be dedicated to Nate.

But I know what is our most fitting memorial. It will be to keep Nate Cummings' company strong and increasingly prosperous in the years ahead.

I know that would please him most of all.

For one more moment, listen to Nathan Cummings' words as he concluded his remarks at that shareholder's meeting last fall. Remember, he spoke without a single note in front of him.

"I could go on," Nate said, "and tell you lots of things about the different parts of the company in the different parts of the world. But I think your own dream process will make you happy." He then said, "I do hope to be back again for a few more years. They won't give me a license for perpetuity—it just isn't done. So I'll take every day and make the best of it. I'll continue to enjoy the wonderful things that Consolidated Foods does. The many ways it enters into your life and makes it a happier one. Thank you very much."

That was Nate Cummings' farewell to the shareholders.

I think those few words so beautifully capture Nate's optimistic spirit and so eloquently set forth Nate's vision for his company, and surely for his own life.

Just imagine all the wonderful things he did and all the lives he made happier.

That was his most important lesson—and his most important legacy. Thank you, Nate. ●

JOHN LENCZOWSKI ON SOVIET STRATEGY IN NICARAGUA

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. COURTER. Mr. Speaker, I commend to my colleagues the following article on Nicaragua and Soviet strategy by Dr. John Lenczowski of the National Security Council staff. The events in Nicaragua follow a clear pattern that has occurred too many times before in history, at terrible human cost. Dr. Lenczowski's article is one of the clearest expositions I have seen of the challenge that Soviet strategy poses to human rights and American security in our own hemisphere, and my colleagues would do well to ponder the facts he sets forth.

[From the Washington Times, June 6, 1985]

FRANK TALK ABOUT DANGERS AT OUR DOORSTEP

FORCES BOUND BY A COMMON THREAD

It is often unpleasant to resurrect what many think are the unpleasant ghosts of the past. Unfortunately, that is what we do when we talk frankly about the forces of "international communism" at work in our hemisphere.

It has long been politically the safe thing to do to ridicule any mention of this alleged phenomenon. Professors and pundits have assured us for years that "international communism" as such no longer really exists—which is why it is ridiculed as a "phantom," the object of irrational phobias of extremists, know-nothings, or people living in the past.

It has been explained to us that we can no longer clinically and accurately use this loaded expression because of the Sino-Soviet split, the Yugoslav-Soviet split, the Albanian-Soviet split, and other manifestations of polycentrism.

Perhaps, indeed, communism is no longer a monolithic force subsuming all Marxist-Leninist states under the Soviet banner. Nevertheless, how can one label the presence today in Nicaragua of Cubans, Bulgarians, Libyans, Czechs, North Koreans, East Germans, Vietnamese, Soviets, and Communist elements of the Palestine Liberation Organization?

If this is not some facsimile of international communism, then we are at a loss as to how to explain the common thread that binds these forces together. If we must pay our dues to the gods of polycentrism, then perhaps we might refine our terminology by calling this phenomenon "Soviet international communism," since neither Maoist, Titoist, or Albanian brands of communism are at work here.

Since we so rarely discuss the facts about international communism as such, there are a few which should be remembered in the context of our current debate on Nicaragua:

The people do not want communism. Never in history has a majority of a free electorate democratically chosen a Communist form of government. (There is only one exception: the minuscule state of San Marino. In the case of Chile, Mr. Allende, although a Marxist, did not run for office as a Communist with a Communist Party in tow, or with an avowedly Communist politi-

cal program. Neither did he win a majority of the vote.)

Communists have always come to power through violent takeovers. These takeovers have always involved seizure of power by a well-organized and externally assisted minority over an unorganized and unwitting majority. Such takeovers consistently entail the use of a "popular front" of Communist and non-Communist elements; the establishment of a Communist Party which uses an ideological party line to enforce internal conformity and identify and eliminate deviationists; the use of camouflage to disguise the party's true intentions and full political program; the use of propaganda and disinformation to manipulate the international media; the use of violent and ruthless methods to eliminate all organized opposition, including ethnic minorities, organized religion, non-government-controlled media and the "class enemy;" and finally, the use of gradualism in the process of eliminating opposition and implementing internal security—so that the people do not realize what is happening to them until it is too late.

No Communist regime that has consolidated its power has ever been overthrown and replaced by a non-Communist order. (The only exception is Grenada). Every other form of government offers people the chance to retain a system of trial and error. It is easy to overthrow a Shah or a Somoza after trial has been granted and error perceived. But once communism is firmly in place, the possibility of trial and error is no more.

A vote against aid to the Freedom Fighters is a vote to consign Nicaragua to an indefinite period of no freedom of choice.

The human cost of communism wildly exceeds most Americans' expectations.

The numbers of people murdered by Communist regimes (outside of war deaths) are approximately: low estimate, 60 million; high estimate (more accurate in light of recent scholarship), 150 million.

The greatest tide of refugees in world history flows from Communist states to non-Communist ones; today it comes from Ethiopia, Afghanistan, Indochina, East Europe, and Nicaragua. (During the entire Vietnam War there was nary a refugee fleeing from Indochina. It was not until communism triumphed that life became so unbearable that people who could withstand decades of war fled to the seas).

Communism invented the concentration camp. Millions have been imprisoned, executed, or worked and starved to death in these camps. Communist regimes will not permit enterprising Western reporters anywhere near these camps, so you don't hear about them on the evening news.

Communist regimes recognize no restraint on their absolute power. From this they establish ideological falsehoods as the standards of right and wrong and the standards by which deviationism is measured; from this stems the systematic denial of all individual human rights.

The quality of life always deteriorates under communism: the militarization of society; the destruction of the consumer economy; the rationing of food; the deterioration of existing housing and insufficient new construction to meet population growth; the destruction of medical care through lack of medicine and medical supplies (despite all the propaganda about free universal medical care in the U.S.S.R., for example, a 900-bed hospital in Moscow gets an allocation of 250 hypodermic needles per year—a supply insufficient for one day in a

Western hospital—with instructions on how to straighten them, clean them and derust them); the destruction of religion (in Russia in 1914 there were 77,000 Orthodox churches whereas today in the entire U.S.S.R. there are only some 7,000); the destruction and political control of education and culture; the rewriting of history, and the destruction of monuments to the national heritage; and the assault on family life and parental jurisdiction over children.

Soviet-style communism invariably means the export of terrorism, violence, and revolution to other countries. Soviet proxy states participate in an efficient division of labor in this sphere: Cubans as troops, Bulgarians and Vietnamese as arms suppliers, East Germans as secret police trainers and military advisers, etc.

Since it is Soviet and not Albanian proxies who are present on our continent today, it is not an accident that the Communist Sandinista regime is an active collaborator in this division of labor.

The Sandinistas are Communists. As Defense Minister Ortega said: "Marxism-Leninism is the scientific doctrine that guides our revolution . . . without Sandinismo we cannot be Marxist-Leninist and Sandinismo without Marxism-Leninism cannot be revolutionary."

The identical pattern of Communist takeover methods, internal policies, and external behavior is repeating itself in Nicaragua. There can be no doubt, given the vast evidence we have accumulated, that Nicaragua is becoming another Cuba.

Communist regimes, including the Nicaragua regime, spend vast resources on disinformation—to deceive the international media and foreign political decision-makers.

A principal goal is to disseminate false information about the nature of their own system: the principal disinformation theme of all Communist regimes is to convince others that they are not really Communist.

This is done in many ways by the Sandinistas but most prominently by the "guided tour." Countless American visitors are taken on this guided tour and see nice things and talk to "average citizens" who tell them what the regime wants them to hear.

Nobody wants to believe that he has been or can be fooled. But if Congress is to believe the testimony of constituents and reporters who base their information on the "guided tour," Congress may as well believe everything they are told on the identical guided tours in Moscow, Havana, East Germany, North Korea or any other totalitarian state.

Congress must decide whether it will resist international communism on our continent or let it prosper. Isolationists in the Congress may base their opposition to the administration on the principle that other countries should be allowed self-determination.

Unfortunately, in Nicaragua today there can be no self-determination, because of the reality of "foreign-force determination." The foreign force is the Soviet Union and its proxies, otherwise known as the forces of international communism.

Will the Nicaraguan people be given enough assistance so that they will be able to determine their future on the basis of a balance of foreign forces, or will Congress permit an imbalance, an imbalance against democracy, an imbalance against any system of trial and error?

If Congress chooses to deny the Nicaraguan friends of democracy a chance for self-determination, it will be voting in favor of

the first victory of the Soviet strategic offensive on our own continent. ●

TRIBUTE TO SOROKA BROTHERS

HON. AUSTIN J. MURPHY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. MURPHY. Mr. Speaker, I rise today to recognize two extraordinary brothers, who combined, have given 50 years of service to their church.

On June 9, the Archpriest Vladimir Soroka, pastor of the Holy Ghost Orthodox Church, Ambridge, PA, will be honored for having achieved a milestone in his ministry of the Eastern Orthodox Christian Church—the 25th anniversary of his ordination.

The occasion seems appropriate to acknowledge not only the accomplishments of Father Vladimir, but those of his younger brother, the Archpriest Igor Soroka, pastor of St. Nicholas Orthodox Church, Donora, PA. The latter commemorated his silver ordination jubilee in 1984.

Pursuing his ministry to be a "priest after the order of Melchisedec" (Hebrews 7:21), each has given a quarter century tending the spiritual needs corporately and individually within his congregation. Indeed, fostering spirituality in the tradition of the Eastern Orthodox Christian faith has held preeminence in the priesthoods of both fathers Vladimir and Igor.

In addition to serving the spiritual needs of their congregation, which are affiliated with the Orthodox Church in America, these brothers have made significant contributions toward making their faith's liturgical music available to the faithful throughout the United States. These efforts began well before their ordinations in 1959 and 1960.

The Eastern Orthodox Christian faith came to the North American continent in the 18th century via Russians settling on the California coast. Later immigrants brought their faith in the 19th and early 20th centuries from Greece, the Ukraine and Russia, Romania, Yugoslavia, Syria, and Armenia, among others; each ethnic group brought its liturgical music with it for essentially the same service. The liturgical tradition of the Orthodox Christian faith dates to the fourth century A.D. and such Christian Church fathers as Basil the Great, John Chrysostom, and Gregory Nazianzus. The problem for liturgical musicians in the United States has been made more complex by the fact that responses of the congregation are sung a cappella and not said.

Archpriests Vladimir and Igor Soroka are among the earliest to attempt to produce liturgical music for

common worship in the English language. This has meant adapting earlier translations from Church Slavonic or Greek to contemporary English, composing, arranging traditional ethnic melodies to contemporary harmony as well as all the chores entailed in the editing of a collection of music—all for no remuneration.

In much of their work, they have drawn on the rich choral heritage of the Russian Orthodox Church, from which the Orthodox Church in America gained autocephaly in 1970.

Father Vladimir is responsible for the publication of five volumes of music and Father Igor, seven. They have collaborated on several others. On the death of a brother in the priesthood who was to be buried from his parish in Ambridge, Father Vladimir realized that the order of service for a priest's funeral was unavailable from any single source in English. Using his own musical arrangements from earlier years, two clerks, a photocopy machine loaned by an area hospital, two pairs of blunt scissors and a great deal of cellophane tape, he produced in 1 night and 2 days, booklets of the service which are believed to be the first in English in the United States.

The brothers are among the seven children of an immigrant priest and his wife, the late Archpriest Gregory and Anastasia Soroka. Another brother, Leonard, now deceased, also was a priest.

Father Vladimir was ordained and served 14 of his 25 years since ordination in the parish which his father served as pastor for 35 years—Holy Trinity of Charleroi, PA. Ambridge is his second parish.

He received his undergraduate degree from Duquesne University in Pittsburgh. He entered Duquesne shortly after high school graduation in Charleroi, but interrupted his education by volunteering for Army service. He served as a paratrooper with the 13th and 82d Airborne Divisions from 1942-46. After graduation from Duquesne, he obtained a master's degree in education from Columbia University and taught music in the public schools for 8 years. He also served 17 years as a parish choir director in New Jersey, New York, Pennsylvania, and Massachusetts.

During his priesthood, he has been instrumental in establishing a mission parish, conducted programs in liturgical music education within the Archdioceses of Pittsburgh and has served as a trustee of St. Vladimir Orthodox Theological Seminary, Crestwood, NY, from which he graduated.

Father Igor graduated from St. Tikhon Seminary, South Canaan, PA, and then entered Duquesne University. While attending Duquesne, he, like his brother Vladimir, was a member of that university's Tamburitzans, a

world-traveled Slavic cultural ensemble.

He served as a parish choir director and vocal teacher. Before ordination, he helped organize a male chorus of Orthodox Christians in the Pittsburgh area; in 1964, he organized and still directs a choir of mixed voices. He has served on the music commission of the national church, conducted national choral conferences, represented the Pittsburgh Archdiocese on the Metropolitan-national-council and trained deacons in the Pittsburgh Archdiocese. He has served his entire ministry in the Donora Parish. He is a member of the Donora Committee for the Downtown Renewal.

Service to the church is an inherent trait in the Soroka family life. As her brothers and father before her, Zenia Soroka Pecuech is a parish choir director. Matthew, one of Father Igor's three sons, is an engineer by vocation, but has been a choir director; Michael and Leonard, sons of Father Vladimir, both are seminary graduates and parish choir directors. Leonard has collaborated on the publication of later English language translations also for use by the worshiper as well as better-prepared choir singer; Michael is an aspirant to the priesthood. Thomas, a third son, is trained to direct parish choirs but is pursuing higher musical education. Olga and Irene, wives of Vladimir and Igor respectively, have sung responses to services with their husbands. In that tradition, Tamara Bell Soroka, the bride of Michael, is a seminary graduate, a church school teacher, a reader and a singer.

I would like to commend the Soroka brothers and their families for their accomplishments and their dedication to serving the Eastern Orthodox Christian faith.●

COACH MALLEY

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. MINETA. Mr. Speaker, I am proud to speak today of a man, a special man to us in the Santa Clara Valley, who left an indelible mark on all of us fortunate enough to have known him. I am speaking of George Patrick Malley, the legendary football coach and athletic director of the University of Santa Clara, who fell victim to cancer at the age of 54.

For 26 years, Pat directed the University of Santa Clara Broncos on the gridiron, giving area sports fans something to cheer for on those crisp fall afternoons and evenings. It was Pat Malley who resurrected football at Santa Clara after a 6-year absence. It was Pat Malley who forged Santa

Clara students, faculty, and alumni into a solid coalition of Bronco boosters. And throughout this effort, it was Pat Malley who stressed that college athletics was meant to be enjoyable as well as educational, and that his players must have fun out on the playing field.

More than just a football coach, Pat was as concerned with a player's personal and academic growth as his athletic talent. A dominating force around the campus as well as the gridiron, Malley's concern for his athlete's total development is evident by the fact that an outstanding 93 percent of his players graduated, compared with the national figure of 65 percent.

An integral part of the Santa Clara community, Malley's association with the university spanned four decades. Following in his father's footsteps, Malley graduated from Santa Clara with a history degree in 1953. Six years later, he returned to his alma mater as coach of a revised and revamped football program, which he quickly called "Football for Fun." Though the emphasis was on enjoyment of sport, Malley's intercollegiate teams went on to win over 140 games during his 26-year tenure as a coach.

His leadership abilities were duly recognized. He was three times named Coach of the Year by the Northern California Sportswriters Association. Several of his players went on to become professional stars. In 1983, Pat received the award he was most proud of—his induction into the University of Santa Clara Athletic Hall of Fame.

Overshadowing his dominating presence in athletics was the side of Pat Malley that made him stand out, that special quality that made him appear like a bright beacon on a dark night. His personality was filled with compassion and concern for his fellow man. Pat always had time for students—any student—to talk, to listen, to advise, to support, to encourage. It was often said that Pat Malley had two families: His own and the Santa Clara community. As a father draws strength from his children, Pat drew strength from the University of Santa Clara. He thrived on his work with the school, and in return he gave it his heart.

On May 18, 1985, Pat lost his toughest battle to cancer. Mr. Speaker, the passing of Pat Malley signals the end of an institution in the bay area. It is the end of an era for the University of Santa Clara. And it is a personal loss for all of us who called him our friend. But his legacy leaves us the gift of love and the hope that we too can leave the world a better place. And there are so many young people—many who are no longer so young—who can point to the influence of Coach Malley as reason for being

better prepared to face the challenges of life.

It is in this spirit that I ask you, Mr. Speaker, and all the Members of the U.S. House of Representatives, to join me in honoring the memory of George Patrick Malley. ●

EXPANDED CAPITAL OWNERSHIP AND THE IDEOLOGICAL HIGH GROUND

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. CRANE. Mr. Speaker, today I am including the third portion of a series of discussions on the concept of expanded capital ownership. Today's material is a continuation of Professor Eidelburg's analysis of the true nature of Marxism and why it is antithetical to freedom and real economic justice. His essay is not only insightful, but provocative as well, and I recommend it highly to each of my colleagues.

The material follows:

ECONOMIC JUSTICE: A QUESTION OF TRANSCENDENT TRUTH
(By Paul Eidelberg)

PART II—THE MEANING OF MARXISM

Contrast, now, the Communist Manifesto, written by Marx and Engels in 1848 when Marx was thirty years old. "A specter is haunting Europe—the specter of communism." These opening and ominous words of the preamble are soon followed by the more familiar statement: "The history of all hitherto existing society is the history of class struggles" (7). The first thing to be noted is that these words of the Manifesto implicitly deny the existence of a common good, a comprehensive good transcending the interests of any particular class of society. Of course, and as Marx explains in *The German Ideology* written two years earlier, "each new class which puts itself in the place of one ruling before it, is compelled, merely in order to carry through its aim, to represent its interest as the common interest of all the members of society, put in an ideal form; it will give its ideas the form of universality, and represent them as the only rational, universally valid ones." In other words, such notions as the "common good," "justice," and "morality," are merely articulations of the material interests of the ruling class.

The second point to be noted is this. If the history of all hitherto existing society is the history of class struggles, then the fundamental fact about human society is conflict, class conflict. This means that force, not reason, is the dominant principle of human history. Indeed, according to the Manifesto, reason is a product of the flux of history:

"Does it require deep intuition to comprehend that man's ideas, views, conceptions, in one word, man's consciousness, changes with every change in the conditions of his material existence, in his social relations, and in his social life?"

"What else does the history of ideas prove than that intellectual production changes its character in proportion as material production is changed? The ruling ideas of each age have ever been the ideas of its ruling class." (26).

This historicism or relativism in the Manifesto merely reiterates the teaching of *The German Ideology*, wherein Marx maintains that "the 'inward nature' of men, as well as their 'consciousness' of it, 'i.e.' their 'reason,' has at all times been an historical product." Furthermore the "inward nature" of men, as well as their understanding of their nature, has always corresponded to "external compulsion," whether economic or social (113). From this it may be inferred that, at least until Marx, men have never possessed genuine insight or intellectual detachment; they have never been capable of transcending the ideas or interests of their particular class or society. Hence it would be foolish to appeal to men's reason over against their interests. Not that reason is utterly impotent. It is simply that ideas can only be effective when they correspond to or reinforce the material or historical interests of men, meaning the interests of their particular class. This is why the Manifesto is addressed to the proletariat. In the familiar words of the "peroration":

"Let the ruling classes tremble at a communist revolution. The proletarians have nothing to lose but their chains. They have a world to win. Workingmen of all Countries unite!"

It would be a mistake to think, therefore, that Marx intends the Manifesto to create any tension between men's opinions and interests by appealing to men's reason. The appeal is primarily to men's passions, wherefore the Manifesto's scathing denunciation and vilification of the bourgeoisie:

"The bourgeoisie, wherever it has got the upperhand, has put an end to all feudal, patriarchal, idyllic relations. It has pitilessly torn asunder the mostly feudal ties that bound man to his 'natural superiors,' and has left remaining no other nexus between man and man than naked self-interest, than callous 'cash payment.' . . . In one word, for exploitation, veiled by religious and political illusions, it has substituted naked, shameless, direct, brutal exploitation." (9-10)

This vilification of the bourgeoisie—and I have only chosen one of the many equally inflammatory passages—stands in striking contrast to the Declaration's denunciation of the British King, a denunciation which, though impassioned, is encompassed by a preamble and a peroration cast in the language of civility and even of reverence. The explanation has already been suggested: (1) The Declaration affirms the primacy of reason; the Manifesto the primacy of force. (2) The Declaration acknowledges the existence of universal moral standards to which one may appeal over and against conflicting class interests. Its principles thus allow for the possibility of diminishing or transcending class conflict by replacing "class consciousness" with the consciousness of a common or more comprehensive good—this, to be achieved through moral suasion. In contrast, the Manifesto seeks to replace consciousness of a common good (which it identifies as the intellectual production of the ruling class) with class consciousness, more precisely, with proletarian class consciousness, in order to intensify class conflict to the point of revolutionary violence. This helps to explain the inflammatory rhetoric of the Manifesto vis-a-vis the urbane rhetoric of the Declaration.

Accordingly, it would be a grave error to regard the Communist Manifesto as a philosophical critique of bourgeois society, a critique animated by a quest for truth. Were that the case, the Manifesto would have been intended to change men's ideas or con-

sciousness through criticism. But as Marx wrote in *The German Ideology*, "all forms and products of consciousness cannot be dissolved by mental criticism [such as by appeals to universal ideals or moral principles] . . . but only by the practical overthrow of the actual social relations which gave rise to the idealistic humbug; . . . not criticism but revolution is the driving force of history. . . ." (28-29). The purpose of criticism is not to correct error or to dissuade men from persisting in the doing of injustice (as was the case of those petitions for redress mentioned in the Declaration). To the contrary, Marxist criticism—and this is true of communist criticism today—is a weapon of class war. It was a "young" Marx who wrote in 1843, this time in his *Critique of Hegel's Philosophy of Law*:

" . . . criticism is not a passion of the head, but the head of a passion. It is not a lancet, but a weapon. Its object is an enemy it wants not to refute but to destroy. . . . [It] is no longer an end in itself but simply a means. Its essential pathos is indignation, its essential task, denunciation."

This suggests that Marxism is not truth—but power-oriented, which may be seen more clearly in the following passage of the *Critique of Hegel*:

"Material force must be overthrown by material force. But theory also becomes a material force once it has gripped the masses. Theory is capable of gripping the masses when it demonstrates ad hominem, and it demonstrates ad hominem when it becomes radical." (257)

This is far from showing "a decent respect to the opinions [i.e. the reason] of mankind." But then, Marxism is addressed not to mankind, but to the "masses." Addressed to the masses Marxist "theory" demonstrates ad hominem when it appeals to men's passions and interests rather than to their intellect or reason. Given, moreover, its power-orientation, Marxism, or rather true Marxists, must incite the masses to revolutionary violence, for in this way only can they confirm the doctrine that "revolution is the driving force of history." Marxism is thus to be understood as a self-fulfilling theory animated not by the will to truth, but by the will to man's supremacy over truth.

We can now better understand Marx's statement that "criticism is no longer an end in itself but simply a means," a means of denunciation. This is equivalent to saying that the written or the spoken word is not a vehicle for the quest and communication of truth but rather a mere instrument for destroying one's adversaries. Lenin put it this way: "My words were calculated to evoke hatred, aversion, and contempt . . . not to convince but to break up the ranks of the opponents, not to correct an opponent's mistake, but to destroy him . . ." The words are Lenin's; to Marx belongs the thought.

But Lenin was simply the disciple—one of the truest disciples—of Marx, the distinctive Marx, not the so-called "young" or "early" Marx who of late has been tendentiously transformed into an innocuous humanist by revisionists and so-called neo-Marxists. What is most distinctive of Marx, so evident in the very violence of his rhetoric (the principles of which are studiously employed by Communist leaders today), is the doctrine of revolution, of economic class conflict, meaning civil war, as the propelling and even progressive force of history. Stated another way: what constitutes Marx's unique contribution to the history of political thought is that he incorporated into a

philosophy of history the Machiavellian principle of the primacy of force over persuasion in human affairs. It is to this doctrine of force or violence that we must trace the subordination of, indeed, the contempt for truth in Marxist rhetoric, and, with the contempt for truth, the cynical use and abuse of morality.

Given the primacy of force or of class conflict on the one hand, and the denial of a common good on the other, Marx in effect renders the bourgeoisie and the proletariat comparable to two species which, in relation to each other, are beyond morality. Hence it would be as absurd to condemn the former for exploiting the latter as it would to condemn wolves for devouring sheep. Yet Marx takes the side of those he calls the oppressed and denounces their oppressors. As we have seen, however, denunciation is the "essential task" of Marxist criticism. That criticism is philosophically armed propaganda designed to inflame the proletariat by demonstrating, *ad hominem*, that their ideas and values, being nothing more than the ideas and values of their oppressors, serve only the "selfish" interests of the bourgeoisie to the detriment of the proletariat's own class interests. Here Marx poses as a moralist precisely because the proletariat are themselves moralists. He uses morality to overthrow morality. Or, what is to say the same, he turns the language of morality against itself (just as communist leaders turn the language of democracy against itself).

Not for a moment, however, is Marx unaware of the paradoxical nature of his denunciation of bourgeois oppression—paradoxical if only because oppression is of the very essence (the propelling force) of history. From this one might even conclude that to oppress is to be human, which further suggests that to be human is to be evil or malevolent. But unlike Machiavelli, Marx did not regard malevolence as intrinsic to men's "inward nature." Rather, it was a consequence of the penalty of external nature: nature at large did not of itself provide for men's needs, the satisfaction of which necessitated a division of labor which in turn engendered class antagonism and oppression. Thanks to modern science, however, and to the technological and industrial accomplishments of bourgeois society, the penalty of nature was in process of being overcome, and would finally be overcome under the dispensation of a Communist society. That overcoming would mark man's total conquest of nature, including himself as part of nature.

Clearly, for Marx man has no "nature." Indeed, it is the nature of man to have no nature, no permanent nature. Man is to be defined not as *homo rationalis* but as *homo faber*, and in the most radical sense. For man is his own maker and will consciously become his own maker in complete freedom from morality or from the laws of nature and of nature's God. Morality, in which Marx sees the traditional tension between the individual and society, hence unhappiness, will disappear, and in its place there will emerge a new society, a Communist society in which man will be a fully "conscious species-being, that is, a being which is related to its species as to its own essence or is related to itself as a species being." Until then, we must conclude, perhaps to the consternation of neo-Marxists, men will be less than human. But this means that, in the name of an incredibly remote if not impossible but in any event questionable humanism, Marx degrades and dehumanizes men

of the past, of the present, and, for that matter, of the foreseeable future.

Here we see why Marxism justifies the ruthless sacrifice of men living today, men who, at this stage of history, are only partly human. Lenin was therefore correct in regarding Marxism as a "panegyric on violent revolution." Indeed, Marx's eschatology, his materialistic philosophy of history is, for all practical purposes, a doctrine of permanent revolution, a doctrine which cannot but issue in periodic violence, terror, and tyranny.

To say as Marx does in his Critique of Hegel's Philosophy of Law that "man is the highest essence of man" (264) is to deify man. But inasmuch as the essence of this deified man, his "species consciousness," will not come into existence until the end of history, then, at least until that far-off time, Marxist rulers, conscious that man is his own maker, may make and dispose of men as they will, unbound by any law. Lenin spoke as a true disciple of Marx in saying: "The scientific concept, dictatorship . . . means neither more nor less than unlimited power resting directly on force, not limited by anything, nor restrained by any laws or any absolute rules. Nothing else but that."

In Marx we are at the opposite pole from the statesmen of the Declaration of Independence, nay, more, from the fundamental principles of Western civilization. This said, let us pause and reflect upon the assertion of Zbigniew Brzezinski that: "Marxism not only provided Russia with a global revolutionary doctrine but infused it with a universal perspective derived from ethical concerns not unlike those stimulated in the West by the religious and liberal traditions.

That a political scientist like Professor Brzezinski could so distort the nature of Marxism on the one hand, and thereby obscure its fundamental antagonism to the traditions of Western civilization on the other, is cause for profound concern. That he could hold the position of National Security Adviser to a President of the United States, a position requiring a clear-eyed understanding of the true nature and global objectives of the Soviet Union—and at the same time be reputed a "hawk"—is a terrible commentary on how far America has drifted from the teachings of her founding fathers. But all this is a reflection on higher education in the United States. Brzezinski's understanding of Marxism, by no means confined to himself, has helped undermine the will and determination of the United States to arrest the advance Soviet communism throughout the world. Unless his erroneous teachings are quickly rectified in the colleges and universities of this country in such a way that they will no longer be reflected in the foreign policy of the United States, one may well fear for the survival of freedom and civility everywhere.●

A CONGRESSIONAL TRIBUTE TO KELLOGG SUPPLY, INC.

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Kellogg Supply, Inc. of Carson, CA, which will shortly be celebrating its 60th anniversary.

Founded in 1925, by H. Clay Kellogg as the DBA Kellogg Supply Co., the company purchased sewage sludge from drying beds of Los Angeles City and County agencies, and created fertilizer for the agricultural areas of southern California. As the years passed and the post-year boom hit southern California and the rural areas changed to urban areas, the Kellogg Supply Co. changed to meet the demands of the new market. In 1953, Kellogg Supply Co. purchased the Globe Fertilizer Co. and became the Kellogg Globe Fertilizer Co. The company, now known as Kellogg Supply, Inc. sells to more retail nurseries and landscape contractors than any other fertilizer company in the southern California area.

Sixty years is a remarkable period of time for a company to survive in such a demanding and competitive industry. Kellogg Supply Co., however, has not merely survived—it has grown and prospered and assumed an undisputed position of leadership. This tremendous success story is a testament to the vision and foresight of the Kellogg family, who pioneered the marketing of organic fertilizers and soil amendments long before these products captured the public's imagination as a result of the ecological and environmental crises.

Kellogg has not only been successful because of foresight, but also because of the exceptional quality of their products. In fact, the company prides itself on the fact that quality products, outstanding service, qualified personnel and enlightened management have been the keys to its success.

If Kellogg Supply, Inc. continues along the successful ways that have led them to prosper over these last 60 years, it will continue to prosper for many years to come. My wife, Lee, joins me in wishing Kellogg Supply, Inc. and the entire Kellogg family continued success and all the best in the years ahead.●

A BILL ON GRADUATE MEDICAL EDUCATION

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. WAXMAN. Mr. Speaker, I am introducing today a bill that will revamp the way Medicare and Medicaid pay teaching hospitals for graduate medical education. The principal objectives of this bill are: First, to maintain an appropriate level of support by Medicare and Medicaid for residency programs; second, to promote residency programs in primary care; third, to enhance primary care training by encouraging hospitals to place residents in ambulatory settings,

including HMO's; fourth, to close the current open-ended nature of Medicare's cost reimbursement rules; fifth, to simplify the intricate and complex cost allocation rules currently used in the Medicare Program; sixth, to encourage other third party payers to contribute their fair share to the costs of graduate medical education; seventh, to assure that foreign medical graduate residents meet acceptable standards of competence; and eighth, to make these revisions in a manner that avoids abrupt shifts in policy that might be harmful to teaching institutions or to beneficiaries' access to quality care.

Mr. Speaker, graduate medical education plays a vital role in present day medicine and warrants continued Federal support. Graduate medical education is the training ground for physicians. It not only provides assurance of an adequate supply of physicians who meet acceptable standards of competence; it also provides the basis for continued enhancement in the quality and sophistication of medical practice. Both of these inure to the benefit of Medicare and Medicaid patients and all of our citizens. While in training, residents also provide patient care under the supervision of qualified physicians and, in many areas and institutions, are an important component in making sure that Medicare and Medicaid beneficiaries have access to appropriate health care.

At the same time that we need to reaffirm our commitment to graduate medical education, we need to recognize that the current retrospective cost reimbursement rules used in the Medicare Program to pay for graduate medical education, and the diverse rules used in Medicaid, are badly in need of reform. Under the current rules, Medicare pays its share of whatever hospitals spend for resident stipends and fringe benefits, for the salaries and expenses of supervisory physicians and other personnel, and for administrative overhead. There are no restraints on the number, type, or length of residency programs and no restrictions on the amount that can be spent on the supporting activities. The rules are complex, to the point of being virtually impossible to understand, and provide no incentive for hospitals to be efficient in the way they manage residency programs.

Even more important, however, is the fact that the current rules ignore the effects which this support has on the specialty distribution of physicians. The amount of Medicare support for direct graduate medical education, which is nearly \$1 billion this year, is far greater than the sums the Federal Government spends on the programs under title VII of the Public Health Service Act. Yet as the Subcommittee on Health and the Environment learned at a recent hearing on

this issue, the Medicare payment rules foster incentives for specialty and subspecialty training that run diametrically opposite to the health professions policies that Congress has promoted under title VII. Notwithstanding a national consensus, and an explicit congressional policy, that we need more physicians trained in primary care, the financial incentives in the Medicare support for graduate medical education discourage primary care residencies and encourage extended residency programs in other specialties and subspecialties that generate substantial patient care revenues for the hospitals and teaching physicians.

Third party payers have traditionally recognized that graduate medical education is an integral and legitimate part of hospital care and have been willing to share in its costs. However, the lack of clear direction in our reimbursement policies, the lack of firm data on how these policies are being implemented, the rapidly rising costs of hospital care, and the growing oversupply of physicians have all caused many payers to question their continuing support of these programs in the same manner as in the past.

Change is needed. However, change must recognize the concerns of teaching hospitals and other interested parties, and must deal with identified problems in the current payment methodology. A new system should not impose highly restrictive regulations that mandate how graduate medical education programs are to be designed and administered. In addition, major changes in the current system of payment should be done in a manner which gives hospitals, residents and teaching physicians advance notice and an opportunity to adjust without impairing the availability or quality of care for Medicare and Medicaid beneficiaries.

The administration recognizes that the current, open-ended, retrospective cost reimbursement rules do not provide an incentive for hospitals to be efficient. The Health Care Financing Administration recently published a proposed regulation that would freeze Medicare payments for graduate medical education at 1984 levels. Not only is this clumsy attempt unlikely to encourage more efficient behavior, it also ignores the adverse effects which the current rules have on our manpower goals. Its only objective is to reduce the budget deficit.

My bill represents an alternative approach. Recognizing that Medicare support will necessarily have a significant impact on the size and shape of graduate medical education, whether intentional or not, I have tried to make sure that the impact is as compatible as possible with the Congress goal of promoting training in primary care.

Under this bill, the Secretary would calculate, for each hospital, an average amount for a full-time resident in an approved residency program. This "approved full-time equivalent amount" would be based on the historical costs paid to each hospital under Medicare for graduate medical education in a base period, updated to the present by the Consumer Price Index. Once this average amount was established, the approved FTE amount would be set in subsequent years by updating the amount annually by the CPI. This approach would replace the current cost accounting and cost allocation rules used by Medicare. It would effectively close the current open-ended nature of Medicare support, would facilitate the implementation of the policies set forth in the bill, and would greatly simplify the administration of Medicare support payments for both the hospitals and the managers of the Medicare Program. The application of the approved FTE amount would be phased in, beginning with each hospital's cost reporting year starting on or after October 1, 1985.

In order to simplify further the administration of the program, to make it easier for program directors and others to plan and manage their programs, and to facilitate monitoring and revisions in the new payment methodology, the approved FTE amount would be treated on a uniform July 1 through June 30 cycle for all hospitals. This is the same cycle that is currently used for virtually all residency programs. Using it would, in particular, greatly facilitate a more rigorous and accurate calculation of full-time equivalent residents. A straightforward formula would allow hospitals that have cost reporting years that straddle two such residency cycles to determine the allowable payment amount for their particular cost reporting year and to apportion that amount properly to Medicare and Medicaid.

Primary care residency programs would be promoted by applying a weighting factor to the different types of residencies. Thus, a resident in a primary care residency would count more heavily, in the calculation of the full time equivalent residents at the hospital, than would residents in other specialties and subspecialties. Primary care residencies would be defined as those in the first 3 years of residency training in family medicine, general internal medicine, and pediatrics, and up to 2 years of graduate medical education in public health and preventive medicine and in geriatric medicine. Since there are no residency programs in geriatric medicine currently approved by the Accreditation Commission on Graduate Medical Education, the Secretary would be empowered to recognize and approve such programs

for purposes of implementing this bill. All other residencies, whether they were in the first 3 years of other specialties or were in specialty or subspecialty training beyond the first 3 years, would be counted less heavily. This would create financial disincentive for hospitals to conduct such residency programs. The weighting factors used for this purpose would be small at first, but would gradually increase over 4 years in order to give greater emphasis to the weighting factor, while giving residents and hospitals time to adjust to them.

I wish to emphasize that this approach would not dictate to the hospitals what amounts they should pay to any resident or group of residents, or how they should allocate these resources among the various specialty programs at their institutions. The bill would simply set economic incentives that are compatible with our national health manpower goals and seek to overcome the other economic incentives that work to the detriment of those goals.

In furtherance of this goal the bill would provide for larger reductions in Federal support for residents who are in training beyond the first year of board eligibility of 5 years, whichever came first. Support for these residencies would be more rapidly reduced to fifty percent of the hospital's average FTE amount. It is my expectation that this would be an adequate level of support to assure that such programs remain available in a sufficient number and that the quality of such programs could be maintained. It is also my expectation that the amount of Federal support would be augmented by other existing sources of revenue such as payments to a faculty practice plan for patient care services or, possibly, other payments to the hospital for patient care.

Under the bill, blocks of time devoted to laboratory research, in particular, should not be counted. Only the time which a resident spends in activities directly related to patient care would be counted toward determining the full-time equivalents. While this is nominally the current Medicare policy, it would be my intention that it be more closely monitored for compliance.

In addition, I wish to encourage hospitals to make sure that residents, particularly those in primary care programs, get a broad range of the most appropriate educational experiences. Therefore, the bill makes it clear that all time spent providing patient care services, whether in the inpatient setting or in various ambulatory settings such as outpatient clinics or HMO's, would be counted toward the full time equivalents. The bill, in fact, provides for some financial incentives for hospitals to use such settings.

The amount which a hospital receives under Medicare and under Medicaid would depend on the proportion of its total inpatient days of care represented by Medicare and Medicaid patients. Thus, to determine its payment amount, the hospital would simply determine its full time equivalent residents, counting the proportion of time spent in providing patient care and applying the weighting factors discussed above. The number of full time equivalents would then be multiplied by the approved full time equivalent amount discussed above, to determine an aggregate approved amount for the hospital's cost reporting year. The aggregate approved amount would then be multiplied by the Medicare and Medicaid inpatient case load to determine the payment amounts under each of those two programs.

It is my understanding that, although reliable data are virtually nonexistent, there are considerable variations among hospitals in the costs they incur, on the average, for a resident in training. It is also my understanding that there are only modest variations among hospitals—or, for that matter, among specialties or years in residence—in the amounts spent for resident stipends and fringe benefits. The source of the large variations seems to be in the costs incurred for supervisory personnel, space and equipment, and other administrative and overhead expenses. While some variations are undoubtedly legitimate and should be recognized, it is appropriate to examine whether those who are incurring extraordinarily high costs, in comparison to the average spent by all hospitals, are administering these programs in an appropriate and efficient manner. Therefore, my bill would request the Secretary to conduct a study of these variations and to recommend whether these variations should be reduced. I have also sought to put some restraints on such hospitals, beginning in July 1987.

My bill also addresses the issue of Medicare and Medicaid support for foreign medical graduates. Considerable attention has been focused on this issue, with concerns expressed both about the quality of the medical education of some of these students and about the effect which they have on the costs of graduate medical education and on the supply of physicians. Nonetheless, at the present time, some institutions and patients are heavily reliant on foreign medical graduates for their care.

Some of these foreign medical graduates are citizens of the United States, who were not able to attend medical schools in this country and went to schools elsewhere. Others are not citizens of this country. They have studied in other countries, including at some of the finest institutions in the

world, and have come here for advanced training and, in many cases, to make their lives here.

I believe that, at the present time at least, it is not appropriate to eliminate all support for such foreign medical graduates. But, we need to be assured that these students meet acceptable levels of competence and we need to be mindful of the fact that, if their numbers were not restrained, they could undermine both our manpower goals and our budgetary concerns. It appears to me that the newly established foreign medical graduate examination in the medical sciences [FMGEMS], coupled with the current immigration laws, provides a reasonable balance among competing concerns. FMGEMS is widely recognized as being as valid a test of competence as the examination of the National Board of Medical Examiners. For the present, I would rely on rigorous enforcement of a requirement that all foreign medical graduates successfully complete both days of FMGEMS. In order not to disrupt existing relationships and programs, I would not apply this requirement immediately to any residents who are in training in an approved residency program at the time this bill passed. Rather, those residents would be given an opportunity to pass the FMGEMS test next January. If they failed to do so, they could receive support for 1 more year, at a reduced level, in order to have two more opportunities to pass the test. If they had still failed to satisfy this requirement at that time, all further support would be eliminated.

Mr. Speaker, this is a complex, challenging, and very important policy issue. Finding a better solution to the funding of graduate medical education will not, by itself, solve all the problems facing Medicare and Medicaid in trying to make quality care readily accessible at affordable prices. However, viewed as part of a strategy that encompasses reimbursement reform, more appropriate use of health care technology, and quality assurance, improvements in graduate medical education have an important role to play. The bill I am introducing today is based on assistance and consultation from a broad range of interested and affected parties.

The Subcommittee on Health and the Environment held a very productive and thought-provoking hearing in April of this year. We were also assisted by an extraordinarily thorough and well-written research paper from the Congressional Research Service. I am deeply indebted to, and very grateful for, the assistance of all those who have cooperated in the preparation of this bill. ●

THE SOVIET UNION—THE
CENTER OF INTERNATIONAL
TERRORISM

HON. C.W. BILL YOUNG

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. YOUNG of Florida. Mr. Speaker, a trained, professional terrorist earlier today confirmed what I have been saying for many years—that the Soviet Union is the "political and financial center of international terrorism."

Mehmet Ali Agca, the man convicted of attempting to assassinate Pope John Paul II, made the statement during the trial in Rome of three Bulgarians and four Turks who were involved in the 1981 attempt on the Pope's life. Agca related in his testimony the training he received from Soviet surrogates from Bulgaria, Syria, and Czechoslovakia.

Agca also acknowledged that Soviet surrogates have trained Western European terrorists from France, Italy, Spain, and Germany. It is terrorists from these groups that have carried out attacks over the years against American diplomats, servicemen, and tourists living and traveling in Europe.

The Soviets have been careful not to be directly linked to the training or support of international terrorists. That is why their aid and support has come through third-party channels, such as their surrogate nations. In addition to those countries cited by Agca, we know that Soviet allies such as Libya, North Korea, and Vietnam also aid and abet terrorist operations.

Soviet support for these groups, which claim hundreds of lives, thousands of injuries, and countless millions of dollars of damage to public and private property and businesses, have enabled international terrorists to secure the most modern arms, ammunition, communications equipment, and training available. In many cases, these terrorists are better equipped and trained than the security personnel of nations assigned to guard against their attacks.

Americans throughout the world are the prime targets of international terrorists, who have at their disposal arms, equipment, and training from Soviet sources. This really shouldn't be very surprising, though, when you consider that the ongoing trial in Rome may directly implicate the Soviet Union for the attempt to murder the Pope, a man of peace and the world's most widely recognized religious leader.●

EXTENSIONS OF REMARKS

PROFESSIONAL FOOTBALL FAN
PROTECTION COMMISSION

HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Ms. MIKULSKI. Mr. Speaker, on April 4, 1985, the Energy and Commerce Subcommittee on Commerce, Transportation and Tourism, of which I am member, completed a hearing on the problem of professional sports team relocations. We received testimony from numerous public officials, professional sports leagues, players' representatives, and fans. Two principles were clearly enunciated by many of those participants. An extensive report released by the Congressional Research Service on April 2, 1985, also denoted the following principles:

Stability: The risk of team relocations is not only of concern to Baltimore or Oakland but is of concern to States and municipalities across the United States; and

Scarcity: The pressure for teams to relocate is a direct result of an artificial scarcity in team supply created by antitrust exemptions previously granted by Congress. This scarcity of teams, particularly in the NFL, has boosted the market value of a team by millions of dollars. It has resulted in destructive bidding wars between cities which are compelled to present owners with tremendous benefit packages at taxpayer expense.

A variety of bills have been introduced in the Congress attempting to restrict team movement unless specific criteria are met. The NFL and other sport leagues have supported proposals that reinvest the leagues with the power to approve or disapprove future relocations. The NFL has used this predatory environment to promote legislation which would provide broader antitrust exemptions. This legislation could more properly be designated the NFL Owner Relief Act of 1985. I am gravely concerned that any such legislation will exacerbate team scarcity, thereby preventing league expansion. Such legislation should be of particular concern to cities which may seek teams and cities whose existing teams may be threatened in the future.

Up to now, Congress has only reviewed these issues in a piecemeal manner whenever the issues were presented by the NFL or other sports leagues. The emphasis has always remained on the rights of the leagues and owners. Very little emphasis has ever been placed on the rights of communities and the sports fans.

For this reason, I am preparing to introduce the Professional Football Fan Protection Commission which will establish a short-term intercongressional Commission to evaluate the cur-

rent league system from the perspective of the sports fan.

This Commission will evaluate various legislative proposals and make recommendations to the Congress of alternatives to relieve the team scarcity that underlies the problems we currently experience. The Commission will also explore the changing state of the electronic media which may cause the movement of important games to pay TV, and charges of anticompetitive conduct by competing sports leagues. This Commission has been carefully designed to avoid the valid objections of many in Congress to commissions in general. It would require no additional appropriation and would be staffed and financed from the budgets of the House and Senate committees with jurisdiction over this legislation. Its term would only be 6 months and it would have broad subpoena powers.

It is time for the Congress to solve these problems at their source in a quick and decisive manner, and to protect the interests of sports fans and the communities in which these teams are located. We need answers to questions that the NFL has carefully avoided our asking. I welcome you as a cosponsor of this vital legislation.●

CAMPARISON OF TAX PLANS

HON. CARROLL A. CAMPBELL, JR.

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. CAMPBELL. Mr. Speaker, we have heard much talk about which tax reform plan is the fairest and simplest, or which plan will assist certain groups of taxpayers the most. I would like to submit an article from Tax Notes entitled "A Bottom-Line Comparison of the Tax Reform Plans: Part II."

This enlightening report reveals some interesting facts by studying examples of individual taxpayers in income groups ranging from \$25,000 to \$200,000 per year. I found some of the conclusions to be useful. For instance, a two earner family with two children making \$27,000 per year would face a whopping tax increase under the Bradley-Gephardt plan. This family would pay 35 percent more under current law. Moreover, this same family would continue to face a tax increase every year since tax indexing is eliminated under this plan. This same family would pay 13 percent more under the President's proposal, and 7 percent more under Kemp-Kasten. However, this study disregards the 6-month differential between the elimination of deductions and the rate reductions under the President's proposal.

Under the same scenario—a two earner family with two children—but earning a combined income of \$41,575, the differences between the plans is not as great. Under the President's proposal, this family would obtain a 1-percent tax cut, but face a 5-percent tax increase under Bradley-Gephardt and a 4-percent increase under Kemp-Kasten.

The study continues by looking at another taxpayer \$87,000 per year. Under the President's proposal, this taxpayer would receive a 21-percent tax cut, compared with a 22-percent tax cut under Bradley-Gephardt and a 2-percent reduction under Kemp-Kasten.

While these type of studies do not represent everyone since the assumptions will vary from taxpayer to taxpayer, I believe they give a useful indication of what the different tax reform plans mean for different people. The following is the report:

A BOTTOM-LINE COMPARISON OF THE TAX REFORM PLANS: PART II

(By Stephen R. Corrick, Linda Goold, and John A. Lindquist of Arthur Andersen & Co.)

The April 29, 1985 issue of *Tax Notes* (p. 535) provided four examples of the effects of several tax reform proposals. The examples were of individual taxpayers in income groups ranging from \$25,000 to \$200,000. Most had income derived principally from salaries, while one's income came exclusively from investment. Examples of both homeowners and renters were provided.

The April article compared results under current law, Treasury I. Bradley-Gephardt, Kemp-Kasten, and Stark-Chafee. Those examples have all been updated to show the effects of the President's plan, unveiled on May 28, 1985. The Stark-Chafee approach is not presented. As with the earlier presentation, no common thread can be discerned from these limited examples. Different fact patterns at any income level produce both favorable and unfavorable results under all four approaches.

For all calculations, it is assumed that the tax year is 1986. Treasury I. Kemp-Kasten (FAST), and Bradley-Gephardt (FAIR) are assumed to have been in place for the full year. Although the rate reduction in the President's plan (Treasury II) would not be effective until July 1, 1986, the presentation here assumes that it is in place for the full year, so that comparisons will be meaningful. Where appropriate, the inflation rate is assumed to be four percent, the same rate used in Treasury I. The CPI inflation of 4.1 percent for 1984 is used to adjust the zero bracket amount to presumed 1986 levels. All examples are two-earner couples with two children, filing a joint return.

EXAMPLE 1—LOWER-INCOME HOMEOWNER Assumptions

Income:	
Salary:	
Earnar 1	\$15,000
Earnar 2	10,000
Interest income	250
Employer-paid health insurance	750
Employer-paid life insurance	50

Child care expenses.....	1,000
Total	27,050
Deductions:	
Charitable contributions.....	650
State income tax.....	800
Sales tax.....	300
Real property tax.....	600
Home mortgage interest.....	5,500
Other interest.....	1,100
Total	8,950

RESULTS

	Current	Treas. II	Treas. I	Fair	Fast
AGI.....	\$24,250	\$24,300	\$24,050	\$26,050	\$20,250
Deductions (net of ZBA).....	-5,270	-3,000	-2,719	-8,800	-3,450
Personal exemptions (4).....	-4,330	-8,000	-8,000	-5,200	-8,000
Taxable income.....	14,650	13,300	13,331	12,050	8,800
Tax.....	1,457	1,395	1,430	1,687	1,320
Credit.....	-220	N/A	N/A	N/A	N/A
Tax liability.....	1,237	1,395	1,430	1,687	1,320
Percentage change.....		13	16	36	7

Comments

Each proposal increases the tax liability for the given family. Much of the increase is attributable to changing the child care credit to a deduction and to the loss of the two-earner couple exclusion. The President's plan (shown herein as Treasury II) produces a slightly more favorable result for this family because of the expanded zero bracket amount (ZBA) and more favorable charitable contribution provision. These two items more than offset the inclusion in adjusted gross income (AGI) of \$300 of employer-paid health insurance premiums.

EXAMPLE 2—MIDDLE-INCOME HOMEOWNER Assumptions

Income:	
Salary:	
Earnar 1	\$24,000
Earnar 2	16,000
Interest.....	500
Employer-paid health insurance.....	1,000
Employer-paid life insurance	75
Total	41,575
Deductions:	
Charitable contributions.....	800
State income tax.....	1,600
Sales tax.....	350
Real property tax (homeowner only).....	950
Home mortgage interest (homeowner only).....	8,000
Other interest.....	1,500
Total	13,200

RESULTS—HOMEOWNER

	Current	Treas. II	Treas. I	Fair	Fast
AGI.....	\$38,900	\$40,300	\$40,075	\$41,575	\$32,500
Deductions (net of ZBA).....	-9,520	-5,800	-5,200	-11,850	-6,450
Personal exemptions.....	-4,330	-8,000	-8,000	-5,200	-8,000
Taxable income.....	25,050	26,500	26,875	24,525	18,050
Tax.....	3,401	3,375	3,461	3,434	3,540
Surtax.....	NA	NA	NA	129	NA
Tax liability.....	3,401	3,375	3,461	3,563	3,540
Percentage change.....		-1	2	5	4

Comments

These homeowners experience slight tax increases under each plan except Treasury II. The minimal tax reduction is attributable to the more favorable treatment of the charitable contribution under Treasury II. As with example 1, the charitable contribution and expansion of the ZBA more than offset the increase in AGI attributable to employer-paid health insurance premiums.

EXAMPLE 3—HIGHER-INCOME INVESTOR WHO RENTS Assumptions

Income:	
Dividends	\$50,000
Interest.....	37,000
Total	87,000
Deductions:	
Charitable contributions.....	2,500
State income tax.....	5,600
Sales tax.....	700
Other interest.....	4,000
Total	12,800

RESULTS

	Current	Treas. II	Treas. I	Fair	Fast
AGI.....	\$86,800	\$83,000	\$69,800	\$87,000	\$93,060
Deductions (net of ZBA).....	-9,120	0	0	-12,100	0
Personal exemptions.....	-4,330	-8,000	-8,000	-5,200	-8,000
Taxable income.....	73,350	75,000	61,800	69,700	85,060
Tax.....	19,936	15,750	11,700	9,758	19,622
Surtax.....	NA	NA	NA	5,880	NA
Tax liability.....	19,936	15,750	11,700	15,638	19,622
Percentage change.....		-21	-41	-22	-2

Comments

This example illustrates the importance of the change in the treatment of interest expense under Treasury II. In this example, the taxpayer under Treasury I experiences a significant tax reduction arising from the indexation of interest income and expense. That provision reduced his investment income from its nominal level of \$87,000 to an inflation-adjusted level of \$69,800. Treasury I eliminates the indexation provision; the full amount of interest income is included in AGI. Thus, the tax reduction under Treasury II is much less than it would be under Treasury I.

EXAMPLE 4—UPPER-INCOME SALARIED HOMEOWNER Assumptions

Income:	
Salary:	
Earnar 1	\$125,000
Earnar 2	75,000
Interest.....	10,000
Total	210,000
Deductions:	
Charitable contributions.....	30,000
State income tax.....	17,000
Sales tax.....	1,500
Real property tax.....	4,000
Home mortgage interest.....	25,000

Other interest	7,000
Total	\$84,500

RESULTS—SALARIED HOMEOWNER

	Current	Treas. II	Treas. I	Fair	Fast
AGI.....	\$207,000	\$203,000	\$201,800	\$210,000	\$218,640
Deductions (net of ZBA).....	-80,820	-51,000	-47,164	-83,000	-55,700
Personal exemptions (4).....	-4,330	-8,000	-8,000	-5,200	-8,000
Taxable income.....	121,850	144,000	146,636	121,800	154,940
Tax.....	41,311	39,900	41,193	17,052	36,394
Surtax.....	NA	NA	NA	24,600	NA
Tax liability.....	41,311	39,900	41,193	41,652	36,394
Percentage change.....		-3	0	1	-12

Comments

The more favorable results under Treasury II for this fact pattern arise because the taxpayer receives the full benefit of his charitable contributions and because of the expanded ZBA.

Capital Gains

A separate example for capital gains is useful to show the diversity in the calculation of the amount of the gain itself, and also the impact of each proposal's rate structure. The example focuses on effective rates on nominal and inflation-adjusted, or "economic," gains.

This example assumes a single taxpayer with \$83,400 in wage income and a \$100,000 nominal capital gain. (The income level was chosen to establish the tax rate and so that no employment-income exclusion under Kemp-Kasten (FAST) would result.) The capital asset is assumed to have been held for 10 years and to have appreciated at an annual rate of 11 percent. Inflation for the period is assumed at seven percent annually; hence, the real gain is only \$47,421. For simplicity, the taxpayer is assumed to have no itemized deductions.

EXAMPLE—CAPITAL GAINS TAX RATE COMPARISON

RESULTS

	Current	Treas. II	Treas. I	Fair	Fast
Taxable capital gain.....	\$40,000	\$50,000	\$47,421	\$100,000	\$60,000
Tax attributable to gain.....	\$19,000	\$17,500	\$16,597	\$30,000	\$14,400
Effective rate on nominal gain (\$100,000) (percent).....	19.9	17.5	16.6	30	14.4
Effective rate on real economic gain (\$47,421) (percent).....	41.9	37	35	63.3	30.4

FARM BILL, PART 4: THE NEED FOR AND PATH TO A MORE MARKET-ORIENTED ECONOMY

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. GUNDERSON. Mr. Speaker, the Secretary of Agriculture stated that:

The present program for readjusting productive acreage to market requirements is admittedly but a temporary method of dealing with an emergency. It could not be

relied upon as a permanent means of keeping farm production in line with market requirements.

The Secretary of Agriculture was Henry A. Wallace. The statement was made 1 year after the current Agricultural Adjustment Act was enacted in 1933.

More than 50 years have lapsed since the implementation of those "temporary" programs. During this span of time, and until most recently, our stocks in the world market have continued to expand.

In the past 4 years, our participation in the world market has dropped from 48 percent in 1980 to 38 percent in 1984, despite a consistently high degree of grain consumption worldwide. The story is much the same for feed grains. This year, the United States will export 54 percent of the total world trade relative to 72 percent in 1979.

We have blamed domestic and international barriers that limit our trade potential abroad for this change. While those barriers clearly affect our trade, we should also consider the possibility that our own domestic policies present an equally difficult barrier to export trade. Although our present supply management and price support systems are vital to the immediate economic welfare of our Nation's farmers, we need to recognize that the price increases they create continue to undermine the farmers' long-term potential for commodity sales abroad by pricing us out of the world market in some cases. Clearly, an agriculture policy that minimizes the domestic barriers to export trade—a market-oriented policy—is not only opportune, it is crucial to the long-term security of the family farm.

It is impossible, however, to immediately implement a market-oriented policy. At present, far too many farmers run the risk of economic collapse to expect them to be capable of absorbing the inherent consequences of any overnight change in price support programs. Thus, the success of any transition to a more market-oriented farm policy will be directly contingent upon the degree to which it is gradually implemented. In short, we must stabilize farm income and maintain it at a level which allows increased commodity sales to offset a decrease in Government commodity support. This will, of course, require the continuation of current management supply programs and income support payments, and should provide for additional assistance during such a transition.

During this time, we must exhaust every outlet possible to enhance our export potential. Our objectives should be as follows:

First. To improve net farm income.
Second. To expand and enhance U.S. trade through joint efforts of farmers, Government agencies, agribusinesses, and grain merchants; and

Third. To balance U.S. wheat and feed grain production with domestic and world demand, thus reducing U.S. surpluses.

THE TEMPORARY NEED FOR AND POTENTIAL REVISIONS IN SUPPLY MANAGEMENT AND INCOME SUPPORT PROGRAMS

Because we understand that a nation remains strong only so long as it can feed its people, we must move cautiously. It is improbable and, consequently, dangerous to hope that an increase in commodity sales in the world market will immediately offset a decrease in commodity prices paid to the farmer. This becomes especially important given the fact that our productive capacity is expected to exceed both domestic and export requirements for the remainder of the decade. Under the current conditions, the implementation of a market-oriented policy without provisions for farm price support would effectively destroy our production base as many farmers would be forced out of business.

Clearly, short-term supply management is essential not only to moderate production and stabilize farm income, but also to establish a sound base on which a market-oriented policy may be built for the benefit of all producers. However, under current provisions, loopholes exist for abuse. For example, acreage allotments permit farmers to take their least productive land out of use while increasing production on the remaining acreage. This often results in increased production coupled with increased Federal funding for compliance with reduction efforts.

Another provision within the context of supply management—the farmer-owned reserve—has recently been criticized for encouraging surplus production and creating market shortages. It was intended to secure an adequate reserve to accommodate fluctuations in world demand; however, last year, due to inflexible regulations, the United States ended up importing Canadian wheat because release prices created artificial barriers which restricted the wheat surplus from exit.

These are but a few instances which attest to the counterproductive nature of some of these provisions. Revisions are, no doubt, in order if their continued use is to be effective for farmers and efficient to Government spending.

Before discussing the necessary revisions to supply management and income support, it is imperative to establish their separate functions and clarify the different means by which the two programs stabilize farm income.

SUPPLY MANAGEMENT

Supply management limits the land on which a commodity may be grown. This process stabilizes farm income by limiting the supply of a commodity. The effect is an artificially created re-

duction in the commodity grown and marketed, leading to a price increase. It differs from income support in that income support supplements farm income either directly through deficiency payments or indirectly through price support means. Supply management may range from acreage set asides to farmer-owned reserves.

Unfortunately, current acreage reduction programs have been ineffective largely due to their presumption of a constant yield per acre. Because controls have been placed on acreage rather than production, farmers have been able to produce as much, if not more, than in previous years while maintaining eligibility for payment.

In effect, we have been trying to limit the production of a commodity by limiting the acreage on which the commodity is grown. We must target the commodity itself. Furthermore, acreage diversion has been based on an estimate of total land use rather than on the previous year's production. Clearly, if true supply management is our goal, a new system for determining bases and yields must be implemented. Eligibility must also be contingent on long-term participation. On again/off again participation only encourages market volatility.

A second means of supply management is the farmer-owned reserve. Although this program serves to avoid food shortages, it has recently been criticized for acting like the commodity loan and acreage reduction programs to create artificial shortages and artificial prices. Even though such artificial changes are extremely short lived in open world markets, our competitors respond accordingly—planting more to sell in world markets. The following revisions in the present program should, therefore, be considered.

First. The reserve needs to be capped at a level to prevent the accumulation of excessive stocks (probably 15 percent of annual wheat utilization and 10 percent of annual feed grain utilization).

Second. Incentives for entry into the reserve need to be lowered to avoid setting an artificial price level through the reserve; and

Third. Release triggers for the reserve should be made more flexible.

INCOME SUPPORT

Income support may be accomplished either directly through deficiency payments or indirectly through price support measures.

Deficiency payments are direct payments to the producer for the difference between the target price and the market price or the loan rate, whichever may be the higher of the two. Unfortunately, the present loan rate level is at a rate not only higher than the world market price but also higher than the domestic market price. This has encouraged farmers to overproduce in spite of acreage diversion at-

tempts. Furthermore, the present loan rate, established arbitrarily by Congress, does not address the world market nor is it flexible enough to accommodate economic changes in that market broad. A reduction in the loan rate and provisions for flexibility would greatly assist our competitiveness abroad.

Price supports include indirect payments made to farmers through non-recourse loans and subsequent commodity purchase. These programs, funded by the CCC, were originally intended to supplement farm incomes without making direct and costly Federal payments.

Nonrecourse loans act as a shelter for a farmer's commodity during periods of depressed market value. Although this program has resulted in ample reserves to compensate for anticipated shortages, it has, regrettably, encouraged farmers to produce regardless of the actual market demand. Current provisions allow the farmer to sell his collateral and repay the loan. However, after 9 months, if the farmer has not sold his commodity on the open market, the CCC has no recourse but to keep the collateral/commodity in exchange for forgiving the loan. Now, since the amount paid (based on the loan level) is consistently above the market price, farmers are encouraged to gear production toward these inevitable Federal "purchases." This is directly counterproductive to our domestic economy. Further, the effects abroad are considerable.

One alternative to current policy is to extend the loan period for another 9 months with the hope that the extension will result in greater market sales, thus reducing Federal outlays and Government surpluses.

Another possibility is moving to recourse loans (as opposed to non-recourse loans) which place greater responsibility on the producer. This alternative ensures the same loan privileges as the nonrecourse loan; however at the end of the loan period, the consumer must repay the loan and retrieve his collateral. The advantage of a recourse loan is clear—the producer is responsible for the marketing of his commodity and more conscious of market conditions.

These revisions would not only increase the effectiveness of Government programs but also their efficiency. By regulating commodity output rather than acreage intake, we become more efficient in limiting surpluses. By targeting deficiency payments, we are more effective in income support. Finally, through revisions in our loan policy, we are simultaneously more efficient and effective.

THE IMPLICIT EFFECTS OF SUPPLY MANAGEMENT AND INCOME SUPPORT ABROAD

Regardless of their immediate domestic benefits, the inherent nature of these programs is counterproductive

to foreign trade. Supply management and increased target prices or loan rates are an invitation to competitors to increase plantings and supply the markets we voluntarily forfeit or price ourselves out of. The farmer-owned reserve sends the same message by creating artificial shortages.

THE NEED FOR REFORM

While these measures continue to be necessary in the short run, maintaining them in the long run would paint a grim picture. If retained, price differentials would widen between those here and abroad and economic pressures to import would grow. We could very well find ourselves forfeiting an even greater share of the world market we presently hold.

Thus, we are confronted with two choices: The policies we adopt may either sustain the farmer at significant cost while continuing to forfeit shares in the foreign market, or accept the challenge foreign markets offer and gradually implement domestic policies which enhance our export potential. From an economic point of view, there is really only one choice if the goal is economic freedom.

Accordingly, in an effort to guide our market-oriented policy, we must:

First, recognize that we will not be credible proponents of freer trade so long as we continue to be protective of our own markets; proposals for domestic-content regulation and present cargo preference laws clearly weaken our negotiating position;

Second, recognize that many lesser developed countries will not be able to import agricultural products unless we and other industrialized countries are more willing to accept their labor-intensive manufactured products;

Third, negotiate additional international commodity agreements which tend to stabilize markets;

Fourth, continue research into technological advances in agricultural efficiency to maintain our productive edge in the world market;

Fifth, expand efforts at market development. We cannot afford to expand our exports in markets about which we know very little. Further, to be effective, we must evaluate the impact that agricultural policies of other countries have on our exports;

Sixth, offset the export subsidies of other countries, either directly or through the use of a "bonus commodity" program in those cases where freer trade agreements cannot be accomplished; and

Seventh, fund and actually use the export credit revolving fund and make better use of our other export credit programs.

Thus, the process of moving toward a more market-oriented agricultural policy is, of necessity, a two-step process. While we must continue income support and supply management pro-

grams in the short run until the current downturn in the agricultural economy has run its course, we must, secondly, realize that their permanent retention will only worsen the problems our farmers face in marketing their production. At the very least, we must begin to prepare our farmers for this ultimate shift.●

A CONGRESSIONAL TRIBUTE TO
WILLIAM LUCAS

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. ANDERSON. Mr. Speaker, I rise to pay tribute to Dr. William Lucas of Los Angeles, CA, who will be retiring on June 30 from the Los Angeles Unified School District.

After serving 3 years in the Army Air Corps, Bill Lucas returned to Los Angeles where he received a bachelor of science degree in management and industry from the University of California, Los Angeles. He then continued his education at UCLA, earning a master's degree in elementary education and a doctorate in education.

In 1951, Bill Lucas began his career in education as a teacher in the Santa Monica Schools. The following year, he joined the Los Angeles Unified School District. Bill became a consultant for the district in 1956, and was promoted to vice principal the next year. From 1960 to 1967, Bill was the principal of a number of schools in the district. Then he became the administrative coordinator for the entire school district. From 1972 until his retirement this month, Bill Lucas has been the assistant superintendent for government relations.

In his current position, Bill has been able to act upon his knowledge that schools are inexorably linked to local communities and the political process. As a result, he has been honored with the chairmanship of the American Association of School Administrators' Federal Policy and Legislation Committee; the Western States Education Coalition; and the Association of California School Administrators' State Committee for Federal Legislation and Finance. In addition, Bill is on the executive committee of Schools' Committee on Reduced Utility Bills [SCRUB]; the legislative chair of the Coalition for Adequate School Housing [CASH]; and a board member of Law in a Free Society. Bill is also a member of Phi Delta Kappa, the education fraternity, and a life member of the Parent Teachers Association [PTA]. He enjoys hunting, fishing, and traveling in his spare time.

Although Bill Lucas will be retiring on June 30 from the Los Angeles Unified School District, he will work in

Sacramento, CA, as a consultant on education issues.

My wife, Lee, joins me in wishing Bill Lucas and his wife, Patricia, all the best in the years ahead.●

STATEMENT ON THE PLAN TERMINATION AND REVERSION CONTROL ACT OF 1985

HON. EDWARD R. ROYBAL

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. ROYBAL. Mr. Speaker, in an attempt to address the problem of overfunded pension plan terminations by employers which deprive American workers and retirees of their retirement income security, I am today reintroducing the Plan Termination and Reversion Control Act of 1985.

Why would a company drop a pension plan? It's done for the money. Large numbers of pension plans are temporarily overfunded today because the value of their investments is up, interest rates are up, and employment is down. A number of companies now find themselves with more assets in their pension plans than are needed to pay vested benefits. The only way they can recapture the excess assets quickly is to terminate the plan. Companies are generally not allowed to borrow surplus from their pension plans. But the Employee Retirement Income Security Act of 1974 [ERISA], the Federal law which regulates private pension and welfare benefit plans, does not prohibit employers from terminating the plan and taking the surplus assets for their own.

According to administration figures from 1979 to January 1985, over 579 overfunded defined benefit terminations involving reversions in excess of \$1 million have occurred. Nearly 700,000 workers have had their pension benefits affected by these terminations and more will be affected in the future unless Congress takes action.

In overfunded plan terminations, both employees and retirees may lose valuable retirement benefits they will need to make their retirement financially secure. For example, a 15-year employee of XYZ Corp. who plans to retire in 10 years may reasonably expect to receive pension benefits of \$550 a month on retirement, as defined in the pension plan. However, as a result of the termination of the corporation's overfunded pension plan, the employee might receive a benefit of only \$300 a month. Even if a new plan were initiated, it would treat this worker as a new employee, so benefits would not accrue fast enough to provide anything like the pension anticipated under the old plan. Similarly, a retiree who might anticipate an ad hoc

cost-of-living increase from his employer will, after an overfunded termination, typically not receive such a cost-of-living increase because the excess assets that would otherwise fund the increase will now be taken by the employer.

Employers are terminating their pension funds to recover so-called excess assets. These are amounts which remain after all liabilities—benefits to workers—have been satisfied after the termination of the pension plan by the employer. These excess assets, however, are not really excess at all but rather represent benefits which would otherwise be paid to workers but for the premature termination of the plan by the employer.

A Department of Labor study on overfunded terminations concluded that the difference to workers between an expected real benefit and a terminated nominal benefit, where there is no replacement plan, could represent approximately 45 percent of the real expected benefit. Also, under a number of different termination scenarios, workers age 45 through 65 will lose a substantial portion of their expected retirement benefit due to an overfunded plan termination because of the loss of accruals at these later ages under certain funding methods. Thus, the termination of an overfunded plan can have a devastating impact on the retirement security of a worker and his family. Moreover, retirees would lose cost-of-living adjustments because such adjustments typically are provided through the plan's excess assets, money that will now go to the employer on termination of the plan.

PURPOSE AND BILL SUMMARY

It is the purpose of this bill to establish a Federal policy which will ensure that workers and retirees are effectively protected from the loss of their pension benefits due to overfunded plan terminations which are initiated so that employers will recover excess assets. Such a Federal policy will make clear that the principal intent and purpose in establishing a pension plan and providing a tax-qualified basis for the contribution and accumulation of pension assets is to provide a secure and definable retirement income for workers and their families. The continuing trend of overfunded plan terminations represents a clear and present danger to the retirement income security of workers and retirees. To better ensure the retirement security of workers and retirees from such danger, the proposed legislation establishes a number of safeguards. The bill would:

If the termination was pursued because of a bona fide "business necessity," then the employer will be able to recover excess assets, subject to a 10-percent excise tax, under certain conditions specified in the bill.

If the termination was not caused by a business necessity, that is, was not the result of bankruptcy, insolvency, or other business hardship, then the bill provides that the employer may still terminate the plan but any excess assets would be ratably distributed to workers who are within 5 years of normal retirement age and retirees under the plan. An excise tax of 10 percent would be imposed on any remaining amounts which are not distributed to workers and retirees.

A failure to ratably distribute to workers and retirees, as prescribed in the bill, would constitute a violation of the fiduciary provisions under title I of ERISA.

A termination which meets the business necessity test will enable an employer to establish a comparable successor plan which is similar to the terminated plan; however, such a successor plan must provide benefits—that is, vesting, accrual, and dollar benefits—which are no less than those provided by the terminating plan, must provide past service credit under the comparable plan, must receive approval for an accelerated funding method for the comparable plan, and must provide a cushion of assets in the comparable plan equal to 125 percent of the rate of funding under the funding standard account of the terminated plan in the year prior to its termination.

Establish a new Federal cause of action for liability for exertion of undue influence or material misrepresentation by a party in interest with respect to a fiduciary relating to a single-employer plan termination which seeks to entrench corporate management or consolidate the position of that party in interest.

Clarifies that mergers, consolidations, or transfers of plan assets must not inure to the benefit of an employer.

An application for an overfunded termination will be subject to a public hearing on the record to enable both the employer and plan participants to articulate their views regarding the pending termination application.

Certain restrictions will be placed on contributions of employer stock and other employer investment media contributed to a plan. Specifically, a plan will be able to invest no more than 5 percent in qualifying employer securities and employer stock which is contributed may not contain features of debt when contributed to the plan.

A study will be commissioned to determine whether standards for appropriate actuarial assumptions and methods should be imposed for the funding of plans.

In a conversion from a defined benefit plan to an employee stock ownership plan [ESOP], a vote must be taken among participants to determine whether a conversion will occur.

Plans which commit an overfunded termination will be prohibited from instituting a comparable plan for a 5-year period after the termination. Certain restrictions on funding and funding deficiency waivers are also imposed on successor plans.

REVIEW OF ADMINISTRATION ACTIONS

The Reagan administration has done little to impede or resist this rising tide of plan terminations which deprive workers of needed pension benefits. In less than 5 years employer pension terminations have netted approximately \$4 billion for corporations. Applications to terminate overfunded pension plans worth an additional \$2 billion are pending. Hundreds of thousands of workers are affected. Issuance of new guidelines by the administration on asset reversion are not targeted to stop or resist pension raids. Rather, the guidelines offer new opportunities for corporate sponsors to accomplish plan terminations and will allow new and questionable techniques to be used to accomplish these terminations.

Overfunded pension plan terminations are not the only form of proliferating pension abuse that is growing. Increasingly, employers are contributing various forms of employer stock and other investments in lieu of cash to their pension funds. This has been particularly true in instances of corporate mergers and takeovers where stock held by the pension fund of the employer may prove to be crucial in resisting a takeover attempt. The abuse which may occur in such instances involves a loss to the plan of what the true market value of such a contribution should be and the manipulation of the pension fund to benefit the employer at the expense of the employees. The use of employee stock ownership plans [ESOP's] by employers as a device to either resist or accomplish a takeover attempt raises substantial questions under ERISA as to whether the interests of employees are well served by such actions. Moreover, restrictions on the ability of employees to vote their stock shares in ESOP's or other pension plans raise questions as to whether their interests are being adequately and appropriately represented by plan trustees.

It is now incumbent that the Congress examine these growing manifestations of employer-directed assaults on the security of pension benefits to workers. As the Congress has striven to provide security for workers under Social Security, it is no less important that the Congress assure workers that their pension benefits are equally secure to provide an adequate retirement income.

The House Select Committee on Aging has conducted two hearings regarding instances where workers have lost potential retirement benefits through such overfunded termina-

tions. The first hearing, on June 7, 1982, reviewed the situation of the termination of the Harper & Row Publishers pension plan and its subsequent replacement by an employee stock ownership plan that was instituted by the management of that publisher. Present and former employees of Harper & Row testified at that time that the termination of the Harper & Row plan resulted in a loss of their retirement and resulted in significant losses of benefits due to the inordinately high 15 percent rate was applied to lump-sum distributions to many of the workers.

A second hearing held on September 28, 1983, indicated the continuing problems associated with overfunded terminations generally and examined the status of Federal law as viewed by the Department of Labor and the Internal Revenue Service on overfunded terminations. The Department of Labor testified that the decision of a plan sponsor to terminate a plan is a business decision and not a fiduciary decision covered by ERISA. The Internal Revenue Service testified that, generally, the various requirements of the Internal Revenue Code permitted the return of surplus assets after the satisfaction of all accrued benefits to participants and beneficiaries at the termination of the plan. Moreover, the Service indicated that those amounts which arose as a result of "erroneous actuarial error" were recoverable by employers under the Service's regulations. Finally, the Service testified that it was concerned about the 10 new possible arrangements for terminations involving so-called spinoff terminations and termination reestablishment cases.

Since that testimony by the Department of Labor and Internal Revenue Service to this committee, Robert A. G. Monks, Pension Administrator for the Department of Labor on April 4, 1984, before the Senate Labor Subcommittee, announced a new administration position regarding overfunded terminations. This new position provides that employers may engage in spinoff and termination reestablishment terminations. A spinoff termination involves the termination of an overfunded pension plan in which the surplus and retired participants are retained in the former plan while a new and substantially comparable successor plan is created for active participants. The former plan is then terminated so that the employer may recover any excess assets. In a termination reestablishment case, the plan, which is overfunded, is terminated by the employer to recover the excess assets and a new substantially comparable defined benefit plan is instituted to replace the former plan. Both of these methods of terminating and subsequently substituting a substantially

comparable successor plan have been permitted under the administration's implementation guidelines.

The administration guidelines require that upon the termination of the plan, all participants and beneficiaries must be fully vested in their accrued benefits and that annuity contracts must be purchased for these individuals. Noticeably absent from these guidelines however, is any requirement to mandate that past service credits from the previous plan be credited to the successor plan for participants. While there is some argument that annuitization of vested credits provides some inflation protection for those vested benefits, clearly with respect to those plans in which the salary factor plays a principle role in determining benefits, final pay plans, the absence of any requirement to pick up past service credit in a successor plan will result, in some degree, in a diminution in benefits that would have otherwise been realized under the previous defined benefit plan. To this degree, and more starkly, the absence of mandated past service credits in a successor plan may well invite a reduction in absolute terms of projected benefits that could have been earned under the previous plan. Moreover, for a less altruistic employer, the absence of mandated past service credit may represent an open invitation to diminish benefits in any successor plan that might be instituted by the employer.

A group of tax attorneys who had petitioned the Internal Revenue Service and the Pension Benefit Guaranty Corporation to utilize the spinoff method of termination, had provided in their submission that a "cushion" of excess assets be carried into the successor plan, ostensibly to protect against a shortfall in funding in early years and to provide some modicum of protection to the Corporation in its responsibility to the successor plan. However, the administration did not see fit to include a requirement for a cushion within its guidelines. Rather, after some review, it was apparently felt that the annuitization of accrued benefits and the minimum funding standards would be sufficient to protect future benefit accruals and provide sufficient insulation to the Corporation with respect to the successor plan. It is problematic however, that the annuitization and minimum funding standards will provide sufficient protection particularly for the Corporation in the event that a termination of a successor plan occurs in years shortly after the creation of the successor plan. Moreover, it is also reasonable to assume that at any point at which interest rates and other markets decline and affect the actuarial liabilities of the plan, that the administration's guidelines will not provide a sufficient buffer to insure an adequate

and solvent funding of the plan under those circumstances, particularly within the early years of the successor plan's creation.

An abuse noted in previous committee hearings and recognized as an issue within the administration guidelines has been the use of inordinately high interest rates applied to lump-sum distributions made to participants upon termination. Testimony by one witness before the committee indicated that based upon his 12 years of service with Harper & Row Publishers he had received a lump-sum distribution of approximately \$700 for his accrued benefit. Upon seeking a life annuity from an insurance carrier however, he received a quote of approximately \$7,000 to secure such an annuity. The administration has responded to this abuse by promulgating a regulation that requires an interest rate be used which approximates a market or annuity rate. While the new rate set by the Corporation will more closely align within prevailing market interest rates, such a formulation however, still falls short of the most accurate barometer of accrued benefits, the use of an annuity interest rate to determine lump-sum amounts.

The use of the spinoff and termination reestablishment techniques and certain other requirements which are embodied in the administration guidelines raise significant questions regarding the authority under ERISA and the code to permit such arrangements. One threshold problem involves an apparent lack of authority under the code and title IV of ERISA to prescribe certain conditions attending a spinoff and termination reestablishment. The use of the spinoff and termination reestablishment techniques directly undermine the minimum funding standards prescribed under titles I and II of ERISA. No exception or limitation is provided within those provisions to permit a redefinition or reorientation of the specific requirements of funding in the manner constrained through spinoff and reestablishment terminations. Moreover, there would appear to be little or no authority within the fabric of title IV upon which the Corporation could authorize the use of these techniques. The requirement that a plan sponsor could not engage in another termination and subsequent reestablishment of a defined benefit plan within a 15-year period is not specifically prescribed in either the code or title IV of ERISA, but rather it appears to be based on the 15-year requirement to amortize experience gains. Basically, the administration guidelines in this area simply undercut the policy and requirements of minimum funding under ERISA making null and void the need to preserve reserves of funding to protect participants, plan sponsors and the Corporation. The policy

of the guidelines in this area simply cede to the employer any surplus through plan termination with little or no recognition of the policy objectives and requirements respecting minimum funding.

In recent correspondence between the Select Committee and the Department of the Treasury, it has become clear that the administration views the guidelines as merely a statement of enforcement policy rather than a substantive set of rules controlling plan asset reversions upon termination. Such a view makes clear that the guidelines need not be observed by a court and, in fact, the guidelines are presently being challenged in the courts by two plan sponsors, Celanese Corp. and Interco, Inc., who contend that certain specific requirements of the guidelines lack an appropriate statutory basis. These contentions by plan sponsors mirror closely the previously enunciated concerns of the Aging Committee in correspondence to the Treasury Department and the Pension Benefit Guaranty Corporation. The outcome of these pending lawsuits may well portend the demise of an enforcement strategy which held little statutory credence.

A significant area without guidance in the guidelines involves tax policy and the opportunity for tax abuse through overfunded terminations. The Committee on Aging has written extensively to the Service inquiring whether, in their opinion, opportunities for tax abuse exist within the present structure of overfunded terminations which have occurred to date. The responses of the Service had largely been unedifying on this topic until recently. It is clear is that an employer through the recapture of excess assets has received a tax deduction for contributions and an exemption for interest and dividends realized on plan assets. This preferred tax treatment is accorded to encourage the establishment and presumed maintenance of permanent programs of pension benefits to provide retirement income security to workers covered under these programs. An employer who is recapturing excess assets is reaping a significant tax benefit even assuming the reversion is included as income to the employer. An employer in a position to offset any tax liability with respect to the reversion through tax loss carry-forward may significantly defray or entirely eliminate any tax liability that would otherwise result from the reversion. Such a result can be analogized to other abusive tax treatments of investments which have been the concern of both the administration and the Service in other areas. Simply, some employers may have treated their tax qualified pension plan as merely a tax-free corporate-savings device. In its most recent revised tax

plan, the Department of the Treasury is seeking the imposition of a 10-percent excise tax on any asset reversion arising out of a plan termination. This position was taken by the Treasury Department in recognition of the favorable tax treatment accorded to pension plan contributions that would otherwise inure to the benefit of an employer at termination, but for the imposition of the excise tax to recover amounts which should be taxed.

Perhaps the single greatest failure of the administration guidelines is that they fail to address the basic concern implicit in overfunded terminations. That is, that as a matter of public policy the failure to in any way inhibit or control overfunded terminations serves to erode the basic Federal policy supporting the establishment and maintenance of pension plans, which is to provide a secure reservoir of moneys to provide retirement income to workers.

Recent data derived from the Pension Benefit Guaranty Corporation [PBGC] indicate that, after the issuance of the administration guidelines in May 1984, the number of overfunded defined benefit plan terminations has substantially increased. PBGC data indicate that an estimated 279 plans, each with over \$1 million in excess assets reverting to the employer, were to be terminated in 1984. This number of terminations is comparable to the total of all such terminations, 284, for the previous 5 years, 1979-83. It is also notable that the total of excess assets to be reverted to employers for 1984 is expected to exceed \$3 billion, this compared with \$2.14 billion for the period of 1979 through 1983. The data also indicates that the average reversion to the employer has substantially increased. For example, in 1980, the average reversion from an individual plan was approximately \$2.1 million. By 1984, this figure has grown to approximately \$11.3 million per terminated plan.

The majority of these terminations have been taken not because of a financial necessity of that employer but, rather, because the employer desired to obtain a reversion to accomplish some business purpose which might include preventing or sponsoring a takeover, improving the financial statements of that employer, or using the reversion to finance the acquisition of employer stock. While some commentators may believe that the use of a reversion in this manner is not an appropriate subject for review in the context of setting policy on employee pension plans, it would seem imperative that such a review is incumbent, at this point, to ensure that appropriate safeguards are provided to assure employee benefit security. Presently, there are pending applications for overfunded terminations—involving reversions of \$1 million or more—

which are rapidly approaching \$1 billion. The issuance of administration guidelines, which sanction the use of spinoff and termination reestablishment techniques, would seem to provide a fertile environment to encourage further overfunded terminations. Moreover, the convenience of the termination vehicles available within the administration guidelines provide an easier mechanism to accomplish a plan asset reversion, than those methods previously sanctioned by the agencies.

DISCUSSION OF BILL

One provision of the bill would have the effect of prohibiting the use of so-called spinoff and termination reestablishment overfunded plan terminations. As indicated earlier, a spinoff termination involves the creation of a second and comparable defined benefit plan in which the active participants of the former plan are placed. The former defined benefit plan retains only retired participants—that is, participants who are already in pay status under the plan—and any surplus plan assets which exist in the plan. The employer typically purchases annuity contracts for retired participants and obtains a reversion of excess assets upon the termination of that former plan. Thereupon, only the active employees are retained in the subsequent successor plan which is substantially comparable to the terminated plan. With respect to a termination reestablishment arrangement, a defined benefit plan covering employees is wholly terminated and a reversion is taken by the employer upon the termination of that plan. Subsequently, a new and substantially comparable defined benefit plan is created to cover the same group of employees.

In both instances, these arrangements present significant difficulties with compliance with the minimum funding standards of ERISA. However, the bill would permit the use of a spinoff or reestablishment termination where a comparable successor plan was established, only in the instance where the plan sponsor has received a business necessity determination from the Pension Benefit Guaranty Corporation. The ability to establish a comparable successor plan, in an instance of business necessity, is taken in recognition that the employer not be penalized from maintaining a similar and consistent pension benefit program for his employees under this business exigency. However, to utilize such a comparable successor plan, the plan sponsor must meet certain conditions which include that: First, the benefit structure for the successor plan be equal to or greater than the benefit structure under the terminated plan, second, that there be a cushion of assets placed into the successor plan which equal 125 percent of the minimum funding requirement of the terminated plan in the plan year prior to

its termination, third, that the plan obtain approval for an accelerated funding schedule to fund a successor plan, fourth, that no funding deficiency waiver be granted during the period of accelerated funding for the plan and fifth, in the case of a spinoff the comparable successor plan retains the same benefit structure as the original plan and such benefits are not reduced or otherwise amended at any time during the accelerated funding period. Terminations which did not receive a notice of business necessity from the corporation would be prohibited from instituting a comparable plan for a period of 5 years. Specifically, no comparable successor plan could receive tax qualification for a 5-year period.

The bill describes the various tests which must be applied concerning the distribution of excess assets upon the termination of an overfunded defined benefit pension plan. In the first instance, any residual assets which are attributable to employee contributions shall be equitably redistributed to those employees.

A rule has been provided requiring that 50 percent of the remaining residual assets will be distributed to retirees in pay status and 50 percent will be distributed to those participants who are within 5 years of the normal retirement age under the plan. This rule is added to provide some modicum of financial protection for those individuals who are approaching retirement and retirees who would otherwise be deprived of benefit security through an overfunded termination due to the loss of ad hoc cost-of-living adjustments. Specifically, these individuals will now, through operation of the rule, receive additional benefits which will more closely approximate promised benefits under the plan and for retirees provide needed cost-of-living protection that could have been afforded through the existence of overfunded amounts.

With respect to amounts distributed to participants and beneficiaries who are already in pay status with respect to the plan, such a distribution shall be equal to that participant's or beneficiary's unpaid constructive cost-of-living increase. The term "unpaid constructive cost-of-living increase" is defined as the amount of such participant's benefits which would be remaining unpaid, after satisfaction of the liabilities of the plan to such participant or beneficiary as if general cost-of-living increases had taken effect under the plan. This section requires that in order to have such a distribution no cost-of-living increase would have been granted to retirees within the last 5 years preceding the termination of the plan. The cost-of-living adjustment shall be measured based upon an annual rate equal to a measure of the Consumer Price Index

as prepared by the U.S. Department of Labor for the appropriate period.

With respect to any participants who have not received benefits, but who are within 5 years of the normal retirement age under the plan as of the termination date, such participants will receive ratable distributions. Such benefits will be measured based upon the present value of benefits prior to the termination of the plan and in a manner as if the plan had not been terminated and the participant had continued to accrue additional benefits under the plan and attain the normal retirement age. In this manner, the participant will receive some additional benefits toward what he would have otherwise earned under the plan but for the premature termination of that plan. However, amounts distributable under this section are premised on the amount of available assets remaining to satisfy these benefits and, to the extent that assets are less than those needed to provide full benefits under this section, such remaining amounts will be distributed on a prorated basis.

In each instance where there is a required distribution of excess assets to a specific class, if assets prove to be insufficient to meet a full distribution to all members of that class, then an equal and prorated distribution shall be made to all members of that class so as to absorb all remaining assets for that class.

A special rule is provided such that if benefits between any class, those who are five years of the normal retirement age under the plan and retirees who are in pay status, would fall below 75 percent of the benefit provided to the other class, the Commission will be granted discretion to redistribute such amounts from the other class so as to assure that benefits do not fall below the threshold of 75 percent between the two classes.

A plan which is in effect on the date of enactment of this law shall be considered to meet the requirements of the law if within 60 days after enactment, provisions of that plan contain provisions which have been previously described. Generally, the provisions of this subsection will constrain that all excess assets which are the result of an overfunded termination that does not meet the requirements of a business necessity termination shall be used for the satisfaction of benefit payments to retirees and participants who are within 5 years of retirement under the plan. It shall be the responsibility of the Commission which is created under this law to promulgate appropriate regulations to interpret and enact the provisions of this law.

An excise tax is imposed in any situation where an employer receives excess assets upon an overfunded pension plan termination. This requirement mirrors the proposal of the

Treasury Department under its revised tax plan which also would impose a 10-percent excise tax on all such reversions to employers.

With respect to an application for termination of an overfunded plan, the bill provides that a hearing on the record be held by the Commission to determine whether or not the termination should be granted. The hearing will afford plan participants, retirees, plan officials and other interested parties an opportunity to express their views and concerns regarding the application for termination of the overfunded plan. In addition, such a hearing will better enable members of the Commission to define and understand those issues pertinent to the application for termination.

The bill establishes the new Federal cause of action wherein a fiduciary exerts or attempts to exert an undue influence or perpetrate a material misrepresentation to accomplish the entrenchment of a corporate management, typically related to an offensive or defensive posture related to a corporate takeover attempt.

Provisions of the bill make several significant changes to the manner in which employer securities are treated under ERISA. In recent years there has been a growing trend of contributions in kind—contributions of employer stock, leaseholds, limited partnerships, and so forth—by employers into their pension funds. Pension and Investment Age magazine has estimated that over one 18-month period employers contributed in excess of \$1.8 billion in the form of stock or other contributions in kind. There is every reason to believe that such contributions will continue and, in fact, have escalated over the last several years.

Contributions in kind raise a number of significant questions regarding their propriety and acceptability with respect to certain goals which are sought under ERISA. One of the immediate concerns raised by a contribution in kind is the appropriate valuation of such a contribution into the pension fund. While a number of large employers have striven to assure that an appropriate value was placed on a contribution into the plan, other small and close corporations may not attempt to assure the appropriate valuation of such contributions. If the value of the contribution does not reflect the value of the required contribution to the plan, then there is a potential that the plan will become underfunded. Moreover, with respect to the deduction taken by the employer for such a contribution, if the true value is not reflected by the actual contribution then a form of tax abuse has occurred with respect to such a contribution.

Additional problems are presented in instances where the employer reserves or otherwise restricts the voting rights

of stock which have been contributed to the pension fund. In such instances, management may seek to consolidate its position through exercise of voting rights held by the plan. Such an exercise by management may be antithetical to the interests of participants covered under the plan. The Department of Labor's interpretation of relevant provisions of the prohibited transaction provisions would not appear to clearly delineate and prohibit the exercise of voting rights in such instances.

Finally, the growing use of contributions in kind as a funding medium, generally, present an opportunity for a loss of security in the manners described above. For this reason, the threshold of qualifying securities or real property is lowered from 10 percent to 5 percent under the bill. This will better ensure that additional protection is afforded through this lowered limitation for contributions and appropriate transitional rules are provided to achieve the lowered threshold.

Provisions of the bill in this section provide that any qualifying employer stock contributed to a plan not be encumbered by a bond, debenture, note, certificate, or any other evidence of indebtedness. Moreover, such a contribution may not be subject to any restriction on its marketability or on any voting power attached to the contribution. These restrictions will better assure that the interests of plan participants remain clear and unfettered by ancillary concerns which could be raised by management. In addition the Secretary of Labor shall promulgate regulations which will define a method of determining the fair market value of stock or other contributions which are contributed to a pension plan.

There are provisions in the bill concerning a study which will be conducted by the Joint Board for the Enrollment of Actuaries. The bill would require that the Joint Board conduct a study to determine reasonable actuarial assumptions and methods that could be prescribed for various types of pension plans. Upon completion of this study, after a 2-year period, a report would be prepared and submitted to the appropriate committees of the Congress to determine whether any legislative reforms will be needed based upon the report.

This study would be undertaken in response to concerns that certain actuarial assumptions and methods that are presently applied to some pension plans are inappropriate and/or produce actuarial assumptions which cannot be sufficiently justified under prevailing market conditions and reasonable actuarial projections. Moreover, there is a concern that code provisions which grant the Internal Revenue Service authority to review the ac-

tuarial assumptions adopted by plans may not be sufficiently stringent to assure the adequate funding of plans and the appropriate use of reasonable actuarial assumptions with respect to any given plan. It would appear to be reasonable, given the absence of appropriate standards or guidelines associated with the use of actuarial assumptions and methods within the profession, to examine and make determinations with respect to whether appropriate guidance should be applied in this area. Moreover, it would appear to be appropriate to invest the Joint Board with responsibility to conduct this study, make recommendations, and if determined necessary, provide authority for the Joint Board to supervise the imposition of such appropriate standards.

With respect to employee stock ownership plans [ESOP], provisions of the bill would require that in any transfer of assets from a terminated plan to an ESOP, such a transfer must be approved in advance in writing by the participants in the terminated plan; that the proportion of voting rights remain equal to or no less than those rights existing prior to the termination of the pension plan.

This provision is included to better assure that the interest of participants, with respect to their voting of shares in an ESOP, is adequately protected through their ability to vote those shares. Moreover, the ability of participants to vote their shares will afford some protection against the ability of management to attempt to entrench itself or otherwise act in a manner which might be adverse to the interests of participants covered under the plan.

Certain restrictions are placed on the reestablishment or re-creation of a comparable plan after the termination of an overfunded plan which is not based on business necessity as formulated in the bill. Specifically, a plan which is terminated without business necessity is disqualified for a period of 5 years from establishing a comparable plan within that period. In addition, no funding deficiency waiver may be granted to a successor plan within 10 years after the termination of a plan which was not based on business necessity. With respect to the creation of a comparable successor plan after a termination for business necessity, no funding waiver may be available within 5 years of the termination of the former plan. Moreover, comparable restrictions are provided with respect to any extension of the amortization period in a manner similar to the restrictions discussed above. In addition, if a comparable plan is established within 5 years of the termination, a faster funding period is required for such a comparable plan to better assure adequate funding for future benefits.

The bill provides that the Pension Guaranty Benefit Corporation will administer the various provisions regarding terminations of sufficient overfunded plans and provides new authority for the PBGC to protect the interests of plan participants and retirees through new causes of action available under title I of ERISA which enable it to specifically enforce its authority in these various areas.

CONCLUSION

This bill is introduced with the intent not only to provide substantive standards to control and inhibit overfunded terminations, but, is also offered as a basis for discussion to attempt to arrange a framework which will better assure the retirement security of workers and retirees under such terminations. I solicit comments and views on this proposed legislation. ●

CHILDREN IN POVERTY

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. FORD of Tennessee. Mr. Speaker, last year I joined Congressman CHARLES RANGEL of New York in requesting a study from the Congressional Research Service and the Congressional Budget Office on children in poverty. That study was released on May 22, 1985. Part I of the study, which was prepared by the Congressional Research Service, examines historical trends of children living in poverty. Part II, conducted by the Congressional Budget Office, examines policy options for reducing poverty among children. The following is a summary of part I of the report. My colleague, Mr. RANGEL, has inserted a summary of part II immediately following my remarks.

SUMMARY AND HIGHLIGHTS OF CHILDREN IN POVERTY

I. POOR CHILDREN: A STUDY OF TRENDS AND POLICY, 1959-84

The Congressional Research Service prepared an historical analysis of children in poverty and Federal policy directed at those children. Highlights of their findings appear below.

NEW INSIGHTS

Never-married mothers present the most severe child poverty problem (three out of four children of such mothers are poor) and their ranks are growing. In 1980 almost one-fifth of births were to unwed mothers, 48 percent of black births, and 11 percent of white births. If the incidence of never-married mothers had not increased from 1969 to 1979, it is estimated that the overall poverty rate might have been five percent lower in 1979. (pages 249, 104 and 70)

More than one-sixth of poor children in 1983 were in families with at least one full-time, year-round job. These poor children numbered more than 2.5 million. Their existence belies the widespread view that a

full-time job throughout the year is near-insurance against poverty. (pages 249 and 129)

Market income (excluding government transfers) poverty rates of children climbed 40 percent from 1973 to 1983. Instead of rising to fill the earning gap, government cash transfer payments to children poor without such aid declined by six percent in real terms. (pages 249, 183 and 177)

A smaller share of the population of poor children is receiving food stamps and AFDC but the share aided by subsidized housing has increased in recent years, and the share covered by Medicaid has held steady. (page 177)

Social security payments for children and their parents are substantially larger than Federal payments for AFDC benefit. (pages 249 and 218)

The capacity of economic growth to reduce the incidence of child poverty appears to have been diminished by growing inequality in the distribution of family income relative to poverty thresholds. (page 249)

WHO ARE THE CHILDREN WHO ARE POOR?

The poverty rate reached 22.2 children per 100 in 1983, the highest level since the mid-1960s. The number of poor children totaled 13.8 million, of whom more than half lived in families headed by a woman. (page 35)

A child's chances of being poor varied sharply by race, presence of the father, and marital status of the mother. (pages 31-32)

Almost half of all black children and more than one-third of all hispanic children were poor. In contrast, nearly five-sixths of all white children were not poor.

In 1983, most children in female-headed families were poor.

Overall, a black child was almost 3 times as likely to be poor as a white child in 1983.

Family composition and the age, race and education of the head of the family are all important factors in determining the poverty status of the family. For example, the poverty rate for children of white married couples whose father is at least 30 years old and a high school graduate is 6.5 percent. For children in black, single, female-headed families where the mother is under 30, and did not complete high school, the poverty rate is 92.8 percent. (page 127)

High rates of child poverty also occur in families with fairly young mothers (20-24), in female-headed families in which the youngest child is under the age of 6, in large families and in families where both parents did not complete high school. (page 6)

When AFDC was enacted, 88 percent of families that received State welfare were needy because the father had died. In March 1979, fewer than 3 percent of the AFDC children were paternal orphans. And in March 1983 more than 88 percent of the children had able-bodied but absent fathers; furthermore, the fathers of 47 percent of AFDC children were not married to their mothers. (page 13)

By Federal law, AFDC is available only to needy children in single-parent families except in certain limited circumstances. Twenty-seven States do not offer AFDC to unemployed two-parent families and States are prohibited from aiding needy two-parent families who are working. Over the years, there has been concern that concentration of AFDC benefits on fatherless families, and the program's exclusion of needy families with full-time jobs, may have inadvertently encouraged family breakup and unwed parenthood. (page 13)

PERSISTENT POVERTY

Two-thirds of children who are ever poor during a 15 year period remain in poverty for no more than four years. However, one poor child out of seven stays poor for at least 10 of the 15 years and can be considered "persistently" poor. These children spend two-thirds or more of their childhood in poverty. (pages 43 and 44)

Persistently poor children have characteristics that are different from the population as a whole. They are 90 percent black, a significant majority live in the South and lack a father in the home. They are most likely to live in rural areas. (pages 44 and 45)

Much of white poverty is short-term and associated with changes in marital status and family earnings. Black poverty lasts longer—the average black child can expect to spend more than 5 years of his childhood in poverty; the average white child less than 10 months—and is less affected by changes in family composition. (pages 47 and 48)

In theory, the poor can benefit either directly or indirectly from improved economic conditions. However, it appears that economic growth cannot be expected to reduce the rate of poverty among children very rapidly. Unless recent trends are reversed, it might take as long as 12 years (with an unusually high 3 percent annual growth rate in average market income relative to poverty thresholds) for the poverty rates of male-headed families with children to drop back to the levels of 1979. For nonwhite female-headed families, it might take 5 years. (page 176)

FAMILY COMPOSITION

The number of female-headed families with children more than doubled from 1959 to 1983. The share of all children living in such families climbed from 9 to 20 percent. Among poor white children, nearly 40 percent live in female-headed families, whereas among poor black children that figure is nearly 75 percent. (page 57)

Poverty rates among children in female-headed families consistently have been much higher and more persistent than those for children in male-present families. However, from 1978 to 1983 poverty rates increased faster among male present families than in female-headed ones, increasing the share of poor children with a man in the home. (page 57)

The number of poor children increased by 3 million from 1968 to 1983, even though the total population of children decreased by 9 million in those years. (page 57)

In 1983, more than half of all children in families with five or more children were poor. In contrast, among children in families with only one or two children, just under 15 percent were poor. (page 57)

If the proportion of children in female-headed families had not increased over the last quarter century, it is estimated that the number of poor children in 1983 might have been almost 3 million less than it actually was. (page 57)

Birth rates to unmarried teenagers have increased steadily since at least 1940. Even though birth rates among teenagers overall are declining, more of their babies have been conceived out of wedlock and fewer of the mothers are marrying before the birth. (page 58)

HISTORICAL TRENDS

The child poverty rate was cut in half between 1959 and 1969 to a record low of 13.8 children per 100 in 1969. Since then the trend has reversed. By 1983, although it still was below its 1959 level, the child poverty

rate had climbed about 60 percent above its 1969 low. (pages 3 and 5)

Although the levels are sharply different, the trends in poverty rates among black and white children were similar. Poverty rates among white children declined from 20.6 percent in 1959 to a low of 9.7 percent in 1969; from that time they fluctuated until they began to increase again to 16.9 percent in 1983. Among black children, the rates declined from 48.1 percent of black children in poverty in 1959 to a low of 39.6 percent in 1969. After a period of fluctuation that rate also increased again, to 46.3 percent in 1983. (page 74)

Whether poverty is measured before or after government transfer payments (social insurance and welfare), and whether the income counted includes or excludes non-cash benefits and money paid as taxes, child poverty rates rose especially sharply from 1979 to 1983. (pages 39-41)

From 1979 to 1983, the poverty rate for children under the official Census Bureau definition increased 35.4 percent. Under alternative definitions of poverty, the percentage increase was even larger, ranging from 48.9 percent to 63.9 percent. (page 40)

If taxes were deducted in the official definition, child poverty rates would increase by 0.8 percentage points in 1979 and by 1.5 percentage points in 1982. The number of additional poor children in 1982 (1.5 percentage points) would increase by approximately 900,000. (pages 41-42)

THE EXPERIENCE OF TWO-PARENT FAMILIES

From 1978-1983, a period frequently marked by recessions and unemployment, the share of the nation's poor children in female-headed families decreased. This was because the poverty rate climbed more rapidly in the much larger group of male-present families, who generally obtain a larger share of their income from the job market than female-headed families. (page 72)

Without a working parent, a child is almost sure to be poor. But having a working parent is no guarantee against poverty. Many children need two earners to escape poverty. One-fourth of children in married-couple families would be poor if their only income were their father's earnings. (page 132)

When poor families do earn their way out of poverty, secondary workers often play a crucial role, accounting for one-third to one-half of the extra income that lifts children across the poverty threshold. (page 249)

WHY DIDN'T THE CHILD POVERTY RATE DECREASE AS OUTLAYS FOR SOCIAL PROGRAMS INCREASED?

The incidence of child poverty rose 52 percent in the decade from 1973 to 1983, when Federal spending for income security climbed 83 percent in constant dollars. Why?

There is no paradox. Government spending for social insurance and cash welfare benefits to poor children, unlike overall income security outlays, declined in value from 1973 to 1983. Adjusted for price inflation, aggregate social insurance and cash welfare payments to children with insufficient market income were about six percent smaller at the end of the decade than at the beginning. Furthermore, the population of such poor children grew about 30 percent. Hence, government cash transfers per child in need of them fell significantly. Aggregate outlays for food stamps to children rose 75 percent in real terms from 1974 to 1983. However, from 1976 to 1983, total available

cash and food stamp benefits fell by 20 percent per poor child. (page 177 and 182)

The rise in the incidence and severity of market income poverty of children during the decade was so large that real cash transfers would have had to rise substantially to compensate. Instead, the share of poor children served by AFDC and food stamps has declined. The share of poor children who received food stamps in a survey month fell from 76 percent in 1978 to 69 percent in 1982. However, the share of poor children covered by Medicaid was unchanged from 1970 to 1983, at about one-half, and the share of poor households with children that received subsidized housing rose slightly from 1977 to 1981, when it was almost one out of six. (page 177)

AFDC benefit levels have been eroded by inflation although some of the cash benefit loss has been offset by food stamps. The maximum AFDC benefit of the median State (ranked by benefit levels) fell about one-third from 1971 to 1985 in constant dollars. Combined AFDC and food stamp benefits fell about one-fifth. (page 178)

The reduced cash benefits translated into higher child poverty rates. Together, social insurance and cash welfare transfers in 1973 reduced the poverty rate of children from a market income level of 18.4 percent to a post-transfer level of 14.4 percent. This was a reduction of 21.7 percent. In contrast, the combined impact of social insurance and cash welfare payments in 1983 lowered the poverty rate by only 14 percent (from 25.8 percent before transfers to 22.2 percent after them). If transfers in 1983 had achieved the same relative poverty reduction as in 1973, there would have been about 1.2 million fewer poor children in 1983. (page 183)

INCOME DISTRIBUTION

The distribution of income among families has become more unequal. Ranked by family income to poverty ratios, families in the lowest fifth of all families had an average poverty income ratio of 0.91 in 1968, compared with still lower ratios of 0.83 in 1979 and 0.60 in 1983. The average income/poverty ratio of the highest fifth of families was 8.0 times that of the lowest fifth in 1983. In 1968, the top fifth's average ratio was only 4.6 times that of the bottom fifth, and in 1979, this multiple was 5.9 (page 166)●

CHILDREN IN POVERTY

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. RANGEL. Mr. Speaker, I am pleased to join my colleague, Mr. FORD of Tennessee, in bringing to the attention of the House the study, "Children in Poverty." This study contains alarming information about the number of children living in poverty. We are fortunate that it also contains policy options to reduce poverty among children. A summary of those options, prepared by the Congressional Budget Office for part II of the study, follows:

SUMMARY AND HIGHLIGHTS OF CHILDREN IN POVERTY

II. POLICY OPTIONS TO REDUCE POVERTY AMONG CHILDREN AND

III. COSTS AND EFFECTS OF EXPANDING AFDC

The Congressional Budget Office analyzed more than 40 proposals for reducing poverty among children. Where possible, estimates were made of the cost to implement the proposal, the effect on poverty, and the number of families benefited. Some of the options included in the study are described below.

ESTABLISHING MINIMUM AFDC BENEFITS

(Pages 290-292)

Creating a national minimum benefit level—in which AFDC plus food stamps would equal 65 percent of poverty—would target increased benefits on single-parent families in States with low benefits.

CBO projects that, if enacted, minimum AFDC payments to a family of three would equal \$396 monthly in 1986. For 2.2 million families currently receiving AFDC, this would increase monthly payments by an average of \$111. The net increase for those receiving food stamps—about 80 percent of those affected—would average \$73 because food stamp benefits would decline by \$38, on average. Roughly 190,000 families would become newly eligible for AFDC as a result of a minimum benefit, receiving average payments of \$197 per month.

As a result of this proposal, the poverty gap—the amount needed to bring all poor families to the poverty line—would decline by \$2.7 billion. Setting the minimum benefit level at 70 percent of poverty would affect about 0.2 million more families; current beneficiaries would average \$160 in additional monthly benefits.

PROMOTING FAMILY STABILITY

(Pages 292-295)

Mandating two-parent coverage based solely on need would encourage families to stay together by reducing the current incentive for one parent to leave home so that the family can become eligible for AFDC. One of the options analyzed by CBO would require all States to cover needy two-parent families but allow aid to be limited to 6 months per year.

An estimated 450,000 families would become AFDC recipients under this option; benefits would average about \$397 per month. In fiscal year 1986, the Federal cost of this option would be \$1.3 billion; about \$1.1 billion for AFDC payments, and \$0.4 billion for Medicaid benefits, with savings of \$0.3 billion in food stamps. The poverty gap would decrease by \$0.8 billion, roughly 3.3 percent.

EXPANDING THE EARNED INCOME TAX CREDIT (EITC)

(Pages 307-313)

The EITC promotes three goals: (1) it helps poor children by providing greater resources to their families; (2) because married couples can qualify for the credit, there is no incentive for families to split; and (3) because aid is given only to families who work, the benefits are targeted to families trying to help themselves.

One of the proposals for increasing the EITC analyzed by CBO would raise it from 11 to 16 percent of the first \$5,000 in earnings, hold the credit constant at \$800 for earnings between \$5,000 and \$11,000, and phase the credit out between \$11,000 and \$16,000. Assuming it is effective in calendar year 1985, this option would extend the

EITC to 3.7 million new families at a cost of \$3.4 billion in FY 1986.

HEALTH AND NUTRITION SERVICES FOR NEEDY FAMILIES

Extending Medicaid coverage to all children and pregnant women in families with income below 65 percent of the poverty level would provide medical care for an additional 700,000 children and 100,000 pregnant women. Annual Federal outlays for the Medicaid program would increase by about \$400 million under this option. (page 326)

If Congress increased funding for the supplemental food program for women, infants and children (WIC) by \$500 million, the program could serve approximately 1 million additional mothers and children. (page 333)

ADOLESCENT PREGNANCY PREVENTION AND SERVICES

The Urban Institute estimated that the Federal government spent \$8.55 billion in 1975 on AFDC households where the mother was a teenager when she had her first child. It has also been estimated (by SRI International) that each of the approximately 442,000 teenager first births in 1979 would cost the Federal, State and local governments together an average of \$18,700 in additional health and welfare costs over the next 20 years. (page 345 and 346)

Reducing the birthrate of teenagers under 20 years of age by one-half would lead to a 25 percent reduction in AFDC costs in 1990, while halving the birthrate of only those teenagers who are under the age of 18 would result in savings of 12 percent of AFDC costs, according to the Urban Institute. (page 346)

If Federal funding for Title X family planning services was expanded and earmarked for serving adolescents, an estimated 1.4 million additional teenagers could be served for an additional \$100 million. (page 351)

School-based service programs that provide access to child care and to other supportive services can reduce dropout rates after pregnancy. A 1979-1980 national survey of the needs of and services for teenage parents found that child care was the most commonly reported unmet need. (page 356)

Adolescent parents on AFDC are particularly at risk of long-term poverty. Welfare offices could play a stronger role as "brokers" for services needed by teenage mothers. For example, all AFDC offices that serve at least a minimum number of adolescent mothers could be required to have at least one caseworker who specializes in the problems facing them. This caseworker would help adolescent parents obtain a range of necessary services—for example, subsidized care for infants and toddlers and dropout prevention services. Given that these clients are already being served, this requirement would merely represent a shifting of resources and would require minimal additional funds for initial training. (pages 357 and 358)

WORK PROGRAMS FOR WELFARE RECIPIENTS

(Page 362)

The long-run well-being of children in poor families depends heavily on the ability of adults in those families to obtain jobs that pay adequate incomes.

A new national program that would provide closely supervised work experience for AFDC recipients could be effective in increasing the earnings of women who are long-term AFDC recipients. For example, participants in the national supported work demonstration engaged in nine months of closely supervised work experience in which

the demands of the job and the standards of performance were steadily increased until they were similar to low-paid jobs. The result: over a year after leaving the program, the average earnings of participants were almost 50 percent higher than those of a similar group that had not participated.

REAUTHORIZING THE TARGETING JOBS TAX CREDIT

(Pages 363-364)

The targeted jobs tax credit (TJTC) encourages private employers to hire economically disadvantaged youth, recipients of specified cash transfer programs and members of other designated groups. Under current law, the credit will not be available for workers hired after December 31, 1985. If Congress reauthorized the TJTC and if one-third of the subsidized jobs were assumed to be net gains for the target group, the cost for each job created would be between \$2,000 and \$3,000.

Participation by employers in TJTC could probably be increased by broadening the eligibility criteria, raising the percentage of wages for which a credit could be claimed, making the credit refundable, or increasing outreach efforts by the Employment Service. ●

THE FAMILY ECONOMIC SECURITY ACT OF 1985

HON. HAROLD E. FORD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. FORD of Tennessee. Mr. Speaker, the President continues to assure us that there is a safety net protecting our most vulnerable citizens. The President is wrong. The safety net is a cruel joke for millions of America's children.

If there is a safety net, why do 13.8 million American children live in poverty?"

Nearly half of all black children are poor. Why aren't they "truly needy?"

Who is the safety net protecting if one out of seven poor children can expect to spend two-thirds of their childhood in poverty?

Where is the safety net for the children—black and white—who live with a single mother under the age of 30 who did not finish high school? More than 90 percent of these children are poor.

Why are 2.5 million children poor despite the fact that they live in families with at least one full-time, year-round job?

With the publication on May 22, 1985 of Children in Poverty, a report prepared by the Congressional Research Service and the Congressional Budget Office, we know the answers to some of these questions.

In August of last year, I joined Congressman CHARLES RANGEL of New York in asking the Congressional Research Service and the Congressional Budget Office to undertake a major study of children in poverty. We asked

for this study because of the alarming rise in the number of poor children in this country.

The facts about children living in poverty are distressing. There were 13.8 million poor children in 1983, the incidence of poverty among children climbed more than 50 percent from 1973 to 1983. Children are the poorest age group. More than half the children in all female-headed families are poor. More than two-thirds of the children in black female-headed families are poor. More than 2.5 million children were poor in 1983, even though a parent worked full time all year round. Almost one-half of all black children and more than one-third of all hispanic children were poor in 1983.

We know that part of the reason for increasing child poverty is the decline in the real value of Federal cash transfer payments, like aid to families with dependent children on which so many single parent families with children rely. We know that children born into poverty are likely to stay there and that the futures of teenage mothers and their babies are especially bleak. We know that the recession, high inflation and unemployment have helped to push many previously self-supporting two-parent families into poverty.

It is time to propose solutions.

My solution is the Family Economic Security Act, H.R. 2585, which I introduced on May 22, 1985 with my distinguished colleagues from New York, Congressman RANGEL and Senator MOYNIHAN. Make no mistake, this bill will not eliminate child poverty. But it will help to reverse the alarmingly high rate of poverty among children.

The legislation builds on much of what we have learned from the study titled "Children in Poverty." Nine of the 17 provisions included in the legislation are amendments to the AFDC program. They are carefully targeted to encourage work, to assure that all families with children have a subsistence income, and to take a first step toward addressing the problem of teenage pregnancy. Three tax provisions are included to reduce the tax burdens of families below the poverty level. The remaining five proposals make fine tuning adjustments to SSI and other programs which aid the elderly poor to ensure that the progress we have made to reduce poverty among the elderly continues.

In the months ahead, we may all agree that these and other steps must be taken. But, the budget deficit will loom large. Many of us will argue that without reductions the deficit will mortgage our children's futures. For those who will contend that we cannot afford to make these changes when budget deficits are so high, I have only one question: Can we afford not to?

As a Nation, we can run but we cannot hide from these facts. These are children. Through no fault of their own they are living in poverty. Economic growth, by itself, will help only a portion of them. We must compliment economic growth with a national commitment to break the cycle of poverty. The cost of such a commitment will not be small. But, unless we invest now, we are going to see a permanent underclass develop in this country—a significant portion of our population born into poverty without any hope for a better life. That is something that we cannot afford.

Mr. Speaker, for the benefit of my colleagues, I am inserting in the RECORD on outline of the Family Economic Security Act of 1985.

OUTLINE OF THE FAMILY ECONOMIC SECURITY ACT OF 1985 (H.R. 2585)

1. *Encourage supported work and other programs to reduce welfare dependency.* Over the past few years, States and localities have tested a number of new approaches to finding work for welfare recipients. These programs require a short term financial investment with the potential for long term savings and welfare avoidance.

The proposal: continue to encourage innovative State work programs by granting States permanent authority to operate WIN through either the labor or human services agency and create a new block grant fund special employment activities for AFDC recipients. One such program could be targeted to the long-term adult AFDC recipient.

2. *Restore the purchasing power of AFDC benefits and encourage benefit increases.* Between 1972 and 1984, the purchasing power of combined AFDC and food stamp benefits declined by nearly 22 percent. In no State did real AFDC and food stamp benefits increase. Furthermore, in 22 States the current AFDC plus food stamp benefit is less today (in real terms) than AFDC alone was in 1960 before food stamps was created.

The proposal: (a) mandate a minimum AFDC benefit level such that combined AFDC and food stamp benefits equal a percentage of poverty, rising from 55 percent to 70 percent over five years; and (b) reduce the State match by 30 percent for any AFDC benefit increases made by a State above the combined benefit level of 55 percent of poverty.

3. *Promote family stability.* It is currently a State option to aid needy two-percent families with an unemployed principal earner. Only twenty-six States now provide this assistance. In the States without a two-percent program, intact families cannot receive AFDC or must split up in order to qualify for assistance. Even in States with a UP program, aid is only paid if the principal earner is unemployed.

The proposal: (a) mandate two-percent coverage based only on need and identical to the single-parent AFDC program (i.e. eliminate the 100 hour rule and quarters of work requirement); (b) increase the Federal matching rate for two-parent benefits to 75 percent for all States; and (c) require one parent in the family to register for work and condition eligibility on active participation in job search, and training or a State work program (workfare, grant diversion/work supplementation and/or a work program of State design).

4. *Encourage efforts to prevent teenage pregnancy and reduce long term welfare de-*

pendence by teenage mothers. Studies show that half of all AFDC expenditures go to households in which the mother had her first child as a teenager. Although some States have developed special programs to assist teenage families, comprehensive prevention and service programs do not exist in each State. In addition, as a result of the Omnibus Budget Reconciliation Act of 1981, States may not extend AFDC to pregnant women with no other children until the sixth month of pregnancy. Medicaid coverage is available from the date the pregnancy is confirmed.

The proposal: (a) authorize a grant program to permit the State AFDC agency to operate a teenage pregnancy prevention program targeted to children in current AFDC families and a comprehensive service program for teenage AFDC mothers designed to help these parents complete a high school (or equivalent) education and obtain the job skills needed for self-sufficiency; (b) eliminate the requirement for counting the income and resources of the parent of a minor mother when determining AFDC eligibility and benefits; and (c) require States to provide AFDC to otherwise eligible first time pregnant women from the date the pregnancy is confirmed.

5. *Disregard the first \$100 of unearned income.* Under current law, Title II and unemployment benefits are included as family income. The first \$50 of child support income is disregarded.

The proposal: retain the standard filing unit provision enacted as part of the Deficit Reduction Act (except as amended above for minor mothers) but disregard the first \$100 of monthly unearned income including Title II benefits, child support payments and unemployment benefits received by a family.

6. *Require States to reevaluate the adequacy of their AFDC need standards.* In the AFDC program, the need standard is supposed to reflect the minimum amount a family of a given size needs for subsistence living. In most States, however, the need standard has not been regularly adjusted to reflect changes in inflation or the cost of essentials for daily living. Congress last required that States update their standard of need in July of 1969.

The proposal: retain the AFDC gross income limit but require States to reevaluate the need standard for changes that have occurred between 1969 and 1985 and which are not now reflected in the need standard.

7. *Mandate one year of Medicaid coverage for all families who leave AFDC without private health insurance.* The Deficit Reduction Act and other recent legislation have assured that certain families who lose AFDC eligibility retain Medicaid coverage for a limited period of time. Not all families are certain of health coverage when they leave assistance, however.

The proposal: provide one year of Medicaid eligibility for families who leave AFDC—for whatever reason—without adequate health insurance. Families which no longer include a dependent child or leave AFDC due to fraud or sanctions would not be eligible. States would be permitted to extend this coverage for one additional year to eligible families.

8. *Establish an AFDC resource policy that is identical to food stamps.* The AFDC program has an extremely strict asset policy: allowable resources may not exceed \$1,000 and the value of a car is limited to \$1,500 (equity value).

The proposal: use the food stamp resource policy as recommended by the President's

Task Force on Food Assistance. Allowable assets in AFDC could not exceed \$2,250 for non-elderly and non-disabled households or \$3,500 for households with elderly or disabled members. The limit on the fair market value of an automobile would be set at \$5,500.

9. *Simplify the earned income disregards.* The AFDC program currently has a complicated set of policies for counting earned income: the first \$75 is disregarded for work expenses, child care costs up to \$160 per month per child are deducted, then a standard \$30 deduction for 12 months followed by a deduction of 1/2 of remaining earnings for 4 months. The net result of these policies is that by the fifth month of work, the family has no financial incentive to continue working.

The proposal: replace these disregards with a standard deduction of \$100 (to cover work-related expenses) plus 25 percent of remaining earnings. The disregard would not be time limited and there would be no change in the treatment of day care costs although this deduction would be capped at \$320 per family.

10. *Expand outreach efforts.* In the Social Security Amendments of 1983, the Secretary of Health and Human Services was required to notify, on a one-time basis, all elderly OASDI beneficiaries who are potentially eligible, of the availability of SSI and encourage them to contact their district offices.

The proposal: Require the Secretary of Health and Human Services to notify all SSI and AFDC participants on a one-time basis and all new SSI and AFDC participants of their potential eligibility for food stamps. In addition, all unemployment compensation beneficiaries would be notified of their potential eligibility for food stamps and AFDC and all food stamp recipients would be notified of potential eligibility for AFDC.

11. *Increase SSI benefits.* Under current law, the regular Federal SSI benefit standard for 1985 is \$325 per month for an individual and \$488 for a couple.

The proposal: Increase the basic SSI benefit for an individual by \$20 per month and for a couple by \$30 per month.

12. *Eliminate the actuarial reduction for elderly survivors.* Social security recipients who elect to retire before age 65 receive 80 percent of the benefits that would have been received at age 65.

The proposal: eliminate the actuarial reduction of the survivor portion of the social security benefit for survivors upon attaining 80. In many instances, this reduction was taken many years earlier and was the result of decisions made by someone other than the elderly survivor.

13. *Encourage States to maintain their State SSI supplements.* Under current law, the purchasing power of State SSI supplements has declined significantly. For example, in New York, the State SSI supplement adjusted for inflation has declined by 46 percent. One of the primary reasons is the interaction between food stamps and State SSI supplements. As is the case in AFDC, when States increase SSI supplements, food stamp benefits decline by \$.30 for each dollar increase.

The proposal: Provide a Federal matching of 30 percent for all State SSI supplement increases after May 22, 1985. This would simply mean that if a State spent \$10 on a benefit increase it would be assured that \$10 would be received by an SSI recipient.

14. *Mandate Medicaid coverage for aged, blind and disabled SSI recipients.* States

currently have the option to extend Medicaid to SSI eligible persons or to apply their own more stringent eligibility standards.

The proposal: require all States to provide Medicaid benefits to persons receiving cash assistance under the SSI program.

15. *Increase and index the earned income tax credit (EITC).* Under current law, families with children receive a refundable income tax credit equal to 11 percent of the first \$5,000 of earned income for a maximum credit of \$550.

The proposal: gradually increase the maximum credit over three years. During this period, the credit would rise from \$550 to \$800 with a phase-out occurring between \$11,000 and \$16,000. In the third year, the maximum credit and the phase-out thresholds would be indexed.

16. *Reauthorize and increase the targeted jobs tax credit (TJTC).* Under current law, employers who hire individuals from certain target groups receive a credit against their taxes of 50 percent of wages paid up to \$6,000 per year in the first year and 25 percent of wages up to \$6,000 in the second year.

The proposal: reauthorize the credit for five years and increase the TJTC to 50 percent of wages paid up to \$10,000 in the first year and 25 percent of wages paid up to \$10,000 in the second year.

17. *Increase the zero bracket amount.* Under current law, the standard deduction or zero bracket amount is \$2,390 for heads of households and \$3,540 for married couples filing jointly. As a result, female-headed families with children pay more Federal taxes than similarly sized families with the same earnings.

The proposal: increase the zero bracket amount for heads of households to that of married couples filing jointly. ●

WORDS OF WISDOM FROM A FORMER PRESIDENT

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. BROOMFIELD. Mr. Speaker, The conflict between East and West is being fought in the Third World at this very moment. Whether we realize it or not, the future of democracy in the world is being determined by what happens in countries like El Salvador, and in other small struggling nations around the globe. While we are quite capable of fighting conventional, or nuclear conflicts, our country is still learning how to deal with the threat of creeping communism in the guise of revolutionary movements.

Former President Richard M. Nixon has written a fascinating article on the subject of future challenges to the West. I believe it is obvious that all of us have a lot to learn about the low-level insurgencies which will typify the wars of the future. We had better wake up to this threat before it is too late to do much about it.

With these thoughts in mind, I commend the following articles to my colleagues in the Congress.

[From the Washington Times, June 3, 1985]

OLD DEFENSES WON'T WORK

The Korean War demonstrated that a conventional attack across a border of a non-Communist country would bring immediate and united reaction from the United States and our U.N. allies. This is the least-likely kind of attack we will face in the future.

Since Korea, the Soviets have gone under and around borders in a variety of ways. North Vietnam, with Chinese and Soviet logistical support, waged guerrilla war against South Vietnam until 1972, when the North Vietnamese launched a massive conventional attack across the demilitarized zone.

In Cuba and Nicaragua the Soviet Union encouraged and eventually captured broad-based revolutionary movements in the guise of supporting so-called wars of liberation.

In Angola and Ethiopia the Soviet Union backed up Communist leaders with Cuban proxy troops who helped them gain or retain power.

In El Salvador we are witnessing a technique similar to that used in Vietnam—a guerrilla insurgency without broad-based popular support that would have no chance to survive, much less prevail, without the logistical support it receives from Nicaragua, the Soviet Union, and Cuba.

Sometimes the Soviets spark a revolution. Other times they capture one already in place. Either way they win and the West loses another battle in the war for the Third World.

Never in history has there been a conflict as broad-based and as pervasive as the Third World War. It challenges us to rethink all of our time-tested assumptions about the nature of war and aggression. If we insist upon preparing for today's war by mounting yesterday's defenses, we are doomed to defeat.

Today the important battles are not along borders but in remote villages and in small countries whose names few Americans have heard. In pinpointing aggression it is no longer enough to look for the smoking gun; now we must look for the hidden hand. We must become more aware of the role the Soviets and their surrogates play in instigating and supporting insurgencies against non-Communist governments.

We must begin by disabusing ourselves of some popular misconceptions about how to deal with conflicts in the Third World.

At one extreme there are those who insist that if we are strong enough militarily we will be able to meet and defeat any challenge we face. It is true that our overwhelming nuclear superiority was one of the factors which enabled us to stop Communist aggression in Korea. But with that superiority gone, the fact that we have far more accurate and powerful nuclear weapons today than those we had during the Korean War is irrelevant in Third World conflicts.

Great nations do not risk nuclear suicide to defend their interests in peripheral areas. And superior conventional forces will not prevail against an enemy who wages unconventional war. Helping a government stop a violent revolution militarily without helping it deal with the economic conditions that helped spawn the revolution would only buy a short-lived victory. After one revolution was put down, another would take its place.

At another extreme are those who say that poverty is the problem and that instead of providing military aid to ensure security, we should provide economic aid to

promote progress. They are only half right, and therefore all wrong.

I recall the year 1974, when President Truman asked for military and economic aid to Greece and Turkey to meet the threat of Soviet-supported Communist guerrillas in Greece. Along with those of other congressmen, my office was flooded with hundreds of postcards reading, "Send food, not arms."

We resisted the pressure and voted for the Truman program. If we had sent food only and not arms, Greece would be Communist today. The lesson of the Greek experience is that in the short run, there can be no progress without security. But we must also recognize that in the long run there can be no security without progress. ●

**JERSEY CITY YWCA
CELEBRATES ITS 80TH YEAR**

HON. FRANK J. GUARINI

OF NEW JERSEY
IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. GUARINI. Mr. Speaker, on Thursday, June 13th the YWCA of Jersey City, Inc. will celebrate its 80th anniversary. The YWCA story is known to the entire world since its inception in 1855 in London, England.

History tells us that the very first YWCA began in America in 1858 at the Ladies' Christian Association in New York.

The Jersey City story, which has been provided with the vision and dedication of women and with the assistance of many organizations, is exemplary.

It was in 1905 when women from the community, the Old Bergen Church and the Jersey City Women's Club formed the YWCA of Jersey City aimed at providing a wholesome living environment and religious service operation for young working women.

The group was fortunate to have among its sponsors Colgate & Co., which was founded in 1804 and rose from one individual making soap and selling it by pushcart to the productive and sprawling plant encompassing acres of land on the Jersey City waterfront as part of its international operation.

The first YWCA was at 10 Wayne Street, and Mercer Street, Jersey City, in downtown Jersey City on the fringe of historic Paulus Hook and in the shadow of the Jersey City city hall.

The facility provided residence for women employed by Colgate's and later the Mueller Co. and other Jersey City industries which led to the growth of the YWCA movement.

In 1918 the YMCA established "a service bureau for foreign born women and girls," with the cooperation of the international institute, aiding factory and commercial employees and their families.

The "Y" provided many services during World War I.

In 1920 the Jersey City YWCA women clearly became established as

community leaders helping organize the city health council and interracial council.

The "Y" located in Jersey City worked with similar groups in Bayonne, including the New Jersey State Federation of Colored Women's Clubs, Girl Scouts, and the Jersey City Junior Service League.

It was the Junior Service League which worked with other community organizations which helped raise in 1925 and 1928, \$1,200,000 for the new building at 270 Fairmount Avenue, which was dedicated on January 22, 1928.

It was during World War II that the "Y" did outstanding work serving as a USO Center, plus being a home for the influx of women employed in the defense plants and a recreation center for swing shift workers.

On the 20th anniversary of the dedication of the "Y's" new building the mortgage was burned.

In 1950 the "Y" of Jersey City fully integrated all its programs, and amalgamated the functions of the "House of Friendliness" on Belmont Ave. which was then closed. The programs at that time included the dramatic workshop, movies, speakers, game parties, discussions, bowling, dancing, roller skating, and the choral club. Thirty-six Saturday night dances were attended by 11,036 people. The "Accent on You" series included topics on makeup, hair, foods, posture, clothes, self-understanding, dating, and marriage. "Housewives Holiday" participants enjoyed textile painting, jewelry making, flower arranging, and swimming.

Working with the League of Women Voters political responsibility for women through informed and active participation of citizens in government was a highlight. Mrs. Lawrence Camisa served as the first president of the League of Women Voters.

Historians of the YWCA Barbara Chryst, Dr. Patricia Sullivan, Jane Weeks, and Jacquelyn Glock pointed out that in 1960 programs such as those noted above continued much the same through the fifties and sixties. Yet, it can be seen that the relevance of this kind of YWCA began to fade in the 1960's, which was a period of rapid and often violent change in our community. In fact, most urban YWCA's throughout the United States failed to meet the challenges of that time, and did not survive the transitional period well.

As part of the Federal Government's War on Poverty, a job training center was established in Jersey City. The Jobs Corps was located in a medical center building, but was directed by the staff and board of the YWCA. Its purpose then was to provide vocational education for young women.

In 1966 the YWCA provided physical education classes for the women stu-

dents of St. Peter's College when it became coeducational that year.

In 1973 their group worked to help establish the Women's Center at Jersey City State College which shared the many concerns of the YWCA working actively on conferences, proposals, and community projects.

In the early 1970's, specifically in 1974, the YWCA of Jersey City began taking giant steps toward its own survival and revitalization. The YWCA sought a broader base of representation on its board of trustees. Particular emphasis was placed on recruiting neighborhood residents and minority women, especially those who were active in other community service, and who could therefore further insure the YWCA's responsiveness to community needs.

In 1977 the "Y", working with the Hudson County Chapter of the National Organization for Women [NOW] formed a battered women's coalition which resulted in the development of the Hudson County Battered Women's Program of the YWCA of Jersey City.

During that year Concerned Community Women of Jersey City was founded resulting in that group's first donating funds to the YWCA in 1978.

I am pleased to report that many members of concerned community women [CCW] became active members of the "Y" serving on its board of trustees.

Our historians tell us that in 1978 the YWCA of Jersey City unveiled its dramatic and ambitious plan for the redevelopment of the YWCA to the community. Total project cost was estimated at \$5 million.

Following years of negotiations with the New Jersey Housing Finance Agency, the Department of Housing and Urban Development and city hall, the YWCA was able to kickoff its unorthodox but successful capital campaign, headed by Fred F. Peterson of Colgate-Palmolive Co.

The rehabilitation of our community service facility led by the devoted Fred Peterson was financed through proceeds from the redevelopment itself and from a successful capital campaign.

It was my pleasure to introduce a modification to the Federal Tax Reform Act, which called for favorable treatment for development projects in which a principal user was a nonprofit organization. After steering it through Congress I was honored when the Jersey City YWCA was the first facility of its type to be awarded this special consideration.

The housing component was financed—90 percent—through the New Jersey Housing Finance Agency. Each of the units are rent-assisted. Thus, low and moderate income elderly and

handicapped need pay only 30 percent of their income for rent. The Federal Government guarantees subsidization of the remainder up to the established fair market rental rate.

The YWCA of Jersey City rehabilitated its entire existing facility. The project had two major components: First, the rehabilitation of the 11-story tower building of the existing facility for 79 apartments for the elderly and the handicapped; and second, the rehabilitation of the 5-story building at 270 Fairmount Avenue as the new YMCA community service building.

It was in April 1983 that the new YWCA facility was rehabilitated into 79 apartments for the elderly and handicapped and the new YWCA community service facility, with appropriate ceremony.

The YWCA project brought together a unique combination of private and public funds for a prototype that demonstrated the unlimited potential of the nonprofit sector. The project also demonstrated the feasibility of preserving and reusing older buildings for community service. The YWCA redevelopment project provided efficient service and recreational facilities for women and their families; housing for the handicapped and the elderly; employment opportunities for community residents; and expanded social and community service programming.

For his outstanding work as YWCA's Capital Campaign chairman from 1981-83 and the resulting \$8 million project, Fred F. Peterson was selected as the recipient of the third "Special Friend of the YWCA" Award. The board of trustees' selection was based on Mr. Peterson's significant contributions to the YWCA of Jersey City, to wit: his dynamic leadership of the YWCA's successful campaign.

The YWCA of Jersey City celebrates its 80th anniversary by reaching out of old friends from throughout the country and new friends to join them at their anniversary dinner on Thursday, June 13 at the Meadowlands Sports Club in the spirit of partnership and challenge.

Generations of women: In search of female forebears, will set the tone and enhance the anniversary celebration. This internationally acclaimed photography exhibit is available to the YWCA through the Women's Study Department of Jersey City State College.

Gwendolyn Baker, newly appointed executive director of the YWCA of the United States of America will be guest speaker.

Prof. Joan M. Weimer, chair of the English Department of Drew University, will be the keynote speaker. Professor Weimer is the producer and moderator of a 13-part television series, "Women in the Center and Why They Belong There." Her recent publications and lectures focus on third world

women in Egypt, Brazil, and Central America. Professor Weimer's work emphasizes the powerful link between human rights and women's rights.

YWCA OF JERSEY CITY 80TH ANNIVERSARY

Organizations are only as vital as their members. The Jersey City YWCA has been blessed with the talents and efforts of hundreds of women. Listed below is only a sampling of the many women who served both the organizations which have been a part of our city's life and the YWCA past and present.

Old Bergen Church: Geraldine Bromby, Marie Crossing, Katharine Dear (First Presbyterian), Adelaide Dear, Katharine Dear, Marie Highinian, Rose Highinian, Ethel Jones, Joan Pannenberg, Grace Russell, Gertrude Sutphen, Jane Weeks.

Jersey City Women's Club: Carrie Beckman Berkowitz, Jacqueline Connors, Marie Crossing, Adelaide Dear, Katharine Dear, Dorothy Engelbrecht Kamm, Mildred Knox, Grace Russell, Gertrude Sutphen, Elsa Tully.

Afro-American Industrial Club: Rose Gordon.

The Girl Scouts: Adelaide Dear, Katharine Dear, Florence Greenwalt, Lillian Pearce.

The International Institute: Ethel Jones, the Rev. Betty Jane Young.

The Junior Service League: Judie Brophy, Jacqueline Connors, Jean Dinsmore, Elizabeth Finnerty, Lynn Kegelman, Gloria Lobban, Margaret Maddocks, Michele Neubelt, Lois Reiser, Aida Scirroco, Mary Jane Wilson.

The League of Women Voters: Juliet Caruso, Diana Femia, Martha Z. Lewin, Mary MacEachern.

Concerned Community Works of Jersey City:

Sarah Green, Catherine Greene, Lousie McLeon, Ealine Moore, Sandra Stallworth, Shirley Watson.

Saint Peter's College:

Barbara A. Chryst, Dr. Patricia S. Sullivan.

The YWCA has been home to many many persons. Elijah Kellogg said:

Home is the place where character is built, where sacrifices to contribute to the happiness of others are made and where love has taken up its abode.

The many good, meaningful and lasting relationships prove that "We are all travelers in the wilderness of this world, and the best that we find in our travels is an honest friend" said Robert Louis Stevenson.

I am certain that my colleagues in the House of Representatives will join me in this well deserved salute to our noble institution.●

YESTERDAY'S HEADLINES
BROUGHT NEWS OF INCREASING
MIDAIR NEAR-COLLISIONS—WILL
TOMORROW'S HEADLINES BEAR THE NEWS
OF INCREASED FATALITIES?

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. STARK. Mr. Speaker, yesterday's headlines may have proved quite surprising for some, reporting that the number of near-collisions rose to a record 592 last year. As well as surprising, I'm sure it put a damper on their summer vacation plans. Not to mention the nerve endings it hit as worried parents realized their children are flying home from school this week.

As I have repeatedly stated, it is imperative that a thorough investigation be conducted to discover the possible causes of the all too frequent midair collisions, near misses, and crashes.

In January I introduced House Joint Resolution 66 which calls upon the Department of Transportation to conduct such an investigation. Questions need to be asked: Is there a need for additional radar and warning equipment in aircraft of various sizes? Do large airports follow existing regulations and requirements associated with small planes? How efficient and practical are the visual flight rules [VFR] as the number of flights and airplanes increase and our Nation's airports become more crowded? To be sure, these are not the only questions that need to be asked and answered, but they represent a good starting place.

I strongly encourage this House to carefully weigh the situation, and lend their support to my resolution and to a thorough investigation of air travel. Let's not wait for tomorrow's headlines to bring us a tragic surprise.●

DRUG ABUSE PATTERNS AND TRENDS

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. RANGEL. Mr. Speaker, as chairman of the House Select Committee on Narcotics Abuse and Control, I am concerned about the widespread abuse of illicit drugs that society is presently encountering. The committee has found through its hearings that drug abuse has been escalating and is a major problem in many areas throughout the United States.

The major drugs trafficked and abused in the United States continue to be cocaine, heroin, and marijuana. Over the past 3 to 5 years, cocaine

abuse has risen dramatically. The committee estimates a minimum of 85 tons of cocaine entered the United States last year. An estimated 5,000 people experiment with cocaine for the first time every day. Many of these new users will become dependent on the drug to the point of addiction. Regrettably, Mr. Speaker, the select committee also has found a sharp increase in the traffic and abuse of heroin since 1979. Nationally, heroin-related hospital emergencies increased 71 percent from 1979 to 1983, while heroin overdose deaths increased 93 percent in that same time-frame. Increases in these indicators have been much greater in a number of our Nation's large cities. Marijuana trafficking and abuse is also prevalent at high levels. For example, on the basis of illicit marijuana production and trafficking data available in late 1984, it is estimated that 30,000 to 60,000 tons of marijuana is being smuggled into the United States annually. This is augmented by about 4,000 tons of domestic marijuana production. Further, the THC content of both foreign and domestic grown marijuana is at record levels.

In light of the evidence of increased drug abuse that has come to the select committee's attention, I was particularly interested in reviewing the most recent findings of the Community Epidemiology Work Group. Sponsored by the National Institute on Drug Abuse (NIDA) in the Department of Health and Human Services, the Community Epidemiology Work Group has conducted research over the past 10 years on patterns and trends in drug abuse. The work group is comprised of 20 drug epidemiology researchers from around the country. The work group meets twice a year to review data on drug abuse trends in major metropolitan areas throughout the United States. Following each meeting, their findings are released by NIDA in a publication entitled "Drug Abuse Indicator Patterns and Trends." Their most recent meeting in December 1984 produced findings that indicate growing substance abuse problems in many parts of the country.

The most recent Community Epidemiology Work Group statistics were compiled from a sample of 17 major metropolitan areas throughout the country. The cities studied were Philadelphia, Denver, Detroit, Dallas, Newark, New York, Los Angeles, Boston, Phoenix, San Diego, San Francisco, St. Louis, Washington, DC, Miami, New Orleans, Buffalo, and Chicago. The findings reveal that cocaine abuse continues to grow and is the primary drug of abuse in most of the cities studied. In Los Angeles, reports of cocaine-related mortalities increased 331.3 percent from 1982 to 1984, while in New York, more cocaine-involved emergency room epi-

sodes occurred in 1984 than in any of the previous 3 years. Besides the alarming increase in cocaine abuse, Mr. Speaker, the availability, as well as the purity of the drug, have increased in many of the 17 cities surveyed.

Although some of the cities reported stable or slight declines in heroin abuse, the majority witnessed an increase in emergency room episodes and overdose deaths related to heroin. Also alarming are reports from New York indicating that AIDS continued to take a toll on the lives of intravenous drug users and that needles being sold on the street that are purported to be sterile are not sterile. Like cocaine, the availability and the purity of heroin are both continuing to rise.

The Epidemiology Work Group findings indicate that marijuana is widely available in essentially every urban area studied. The Detroit Police Department reported marijuana as the second most commonly abused drug by persons arrested during 1984. Emergency room indicators showed that problems with marijuana continued to rise in Los Angeles, St. Louis, and New York. Also worth mentioning is the greater presence of domestically grown marijuana. In 1980, only two States reported significant marijuana cultivation, while in 1984, 48 States did.

The Epidemiology Work Group's findings tend to confirm the select committee's belief that drug abuse is a prevalent and escalating problem in many of our Nation's urban areas and requires attention at all levels of government. For the information of the Members, I ask that the "Precis" from the December 1984 edition of "Drug Abuse Indicator Patterns and Trends" be inserted in the CONGRESSIONAL RECORD at this time, and I encourage Members to obtain and review the full report:

PRECIS

The seventeenth meeting of the Community Epidemiology Work Group was held in Los Angeles, California, on December 4-7, 1984. The focus of this meeting was on patterns and trends in drug abuse in 17 major metropolitan areas of the country. Highlights of these discussions include:

The problem of cocaine abuse continued to grow, with reports indicating that forms and routes of administration are changing (i.e., New York noted the growing use of cocaine powder as well as the popularity of mixing cocaine with another stimulant to maintain the high; Miami reported the smoking of partially processed coca paste.)

Several cities, including Denver, St. Louis, San Francisco, Phoenix, Miami, and Dallas, reported increases in heroin availability and/or use based on a variety of indicators such as emergency room and medical examiner data, treatment admission data, and street level price and purity data; at the same time, trend indicators continued to remain at elevated levels in New York, Los Angeles, and Washington, D.C.

Increasingly, reports indicate a heroin population that is older and contains a growing proportion of female addicts.

"Speedballing" (using heroin in combination with a stimulant, usually cocaine) remains a popular practice among intravenous narcotic addicts.

The adulteration of poor quality heroin with other substances makes it difficult to segregate the true effects of the heroin as opposed to those of the "cut."

To date, the rescheduling of glutethimide in Newark appears to have had no effect on its pattern of abuse, as the combination of glutethimide (Doriden) and codeine (known as Hits, Loads, Fours, and Dors, etc.) remained a noted drug of abuse in New York, Boston, Philadelphia, and Chicago.

With the growth of marijuana as a cash crop and, with domestically grown marijuana accounting for a large share of the market, drug enforcement eradication activities have increased.

Indicators of PCP activity have increased in New York and Washington, D.C. and have been noted with greater frequency in Newark.

In Philadelphia, methamphetamine is cheaper than in any other area of the country, while in San Francisco stimulant abuse was reported as a growing problem.

No consistent substitute has been identified for methaqualone; presently diazepam (Valium) is the most common sedative-hypnotic found in "ludes".

REPRODUCTIVE HEALTH EQUITY ACT

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. WEISS. Mr. Speaker, abortion is legal. A broad majority of Americans support this constitutional right. Many Members of Congress, however, have consistently ignored the views of the majority of all Americans who want abortion services kept safe and available.

In the 12 years since the Supreme Court's decision in *Roe versus Wade* which guaranteed the right of women to choose abortion, this choice has been all but eliminated for nearly 10 million women. Through antiabortion riders attached to a variety of Federal health care programs and benefits packages, congressional opponents of abortion rights have successfully limited access to legal abortion services by either denying funds for medical assistance or restricting earned benefits.

These measures have not ended abortion. What they have done is withheld from a certain segment of our population the constitutional right to equal protection of the law, and established a dual system of access to needed medical care.

The targets of this antichoice strategy are those Americans who receive health care services or health insurance benefits through the Federal Government. Among those now denied

choice over personal medical decisions are Medicaid recipients, native Americans, Peace Corps volunteers, military employees and their dependents, Federal employees, and residents of the District of Columbia.

It is not surprising that most of the women affected by the antichoice restrictions lack the necessary resources to effectively fight these restrictions. Medicaid recipients, by definition, are unable to afford medical care and have nowhere else to turn. Likewise, native Americans, the most impoverished minority group in the country, are denied even privately funded abortion services in Indian Health Service clinics or hospitals unless the life of the mother is endangered.

Peace Corps volunteers receive medical care as a benefit to supplement their small cost-of-living stipend. These volunteers, most of whom serve in outlying areas far from quality health care, are subject to a total ban on abortion services. Lower level military employees and their dependents, many stationed overseas, run health risks because they are denied care in base hospitals.

Abortion services are denied in the earned and often-bargained-for benefit packages of women employed by the Federal Government. The great majority of these women are in low-paying clerical positions. And the ban on abortion services to District of Columbia residents is particularly inappropriate, because it is in conflict with the District's home rule prerogatives.

No one should be surprised by the impact of these restrictions. Because of their poverty, native American women and Medicaid recipients run especially high risks of both unintended and problem pregnancies. Many women are forced to delay the procedure until they have raised the necessary funds. Delays result in much greater health risks and costs. Often, basic necessities such as food and clothing and the payment of household expenses like heating bills and rent are sacrificed.

Many poor women, however, are still not able to obtain legal abortions. Studies have shown that each year at least one in five women eligible for Medicaid are forced to carry their unwanted pregnancies to term. Another 5 percent, it is estimated, resort to illegal or self-induced abortions.

Abortion is legal in this country. And yet poor women, 12 years after the fact, are faced with the same complications, the same life-threatening situations that existed in the pre-Roe versus Wade United States.

These restrictions on health services are not as much about abortion as they are about poverty and wealth and the quality of medical care available to different groups of our people. Legal and safe abortion services are the right of every American woman, not a

privilege to be determined by economic status.

Abortion is legal, but the fight for reproductive freedom continues. Today, I proudly join Congressmen Vic Fazio, Bill Green and 73 of our colleagues in reintroducing the Reproductive Health Equity Act. It is the intent of this bill to eliminate the current discriminatory restrictions against women dependent upon the Federal Government for their health care and to abolish the two-tiered health system that currently exists in this country.

The current antichoice provisions stand in moral judgment of, and refuse any safe alternative to, poor women confronted with unwanted pregnancies. Millions of American women, many of them proudly serving our country, are forced to bear the burden of a particular moral judgment that is not supported by the society as a whole. We, in Congress, hold the responsibility to support the will and protect the rights of the people. We must continue the fight to guarantee safe and accessible abortion services to all women. ●

INTRODUCTION OF THE HOME RESPIRATORY CARE ACT OF 1985

HON. RON WYDEN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. WYDEN. Mr. Speaker, I am introducing today legislation, the Respiratory Home Care Act of 1985, which will bring both common sense and compassion into the provision of ventilator services by Medicaid and Medicare. I am joined in this effort by my distinguished colleagues, Mr. Florio, Mr. Bryant, and Mr. Ford of Tennessee.

My bill will allow people who are dependent on ventilators—and would otherwise be getting ventilator care in a hospital paid for by Medicare or Medicaid—to remain in their own homes or in nursing homes and still receive reimbursement for their ventilator care.

Under our current system, thousands of people who need ventilator care, ranging from infants to the elderly, are being forced to remain in hospitals which are the most costly and often least desirable places to get this care. Studies have shown that ventilator care in the home is much less expensive than the same care given in a hospital. Nonetheless, many of the people now receiving ventilator care in hospitals—at the expense of Medicare and Medicaid—could just as safely receive the same care in the comfort of their home for less money.

But there's a catch. The Medicare and Medicaid Programs won't pay for

ventilator care in a patient's home. This bias toward hospitals is more than just outdated, it's inefficient, inflexible, and expensive.

The situation was highlighted several years ago when a 3-year-old Ohio girl, Katie Beckett, faced the prospect of spending her life in a hospital because that was the only way Medicaid would pay for the round-the-clock ventilator care she needed.

In the hospital, Katie's care cost \$6,000 a month. At home, she was able to receive the care she needed for only \$1,000 a month. Medicaid saved \$5,000 a month and Katie Beckett got to go home.

It took a special act by President Reagan to let Katie Beckett receive the care she needed at home. This was the first of many special "permission slips" that were given to individuals to allow them to receive needed ventilator care in their homes.

Mr. Speaker, these "permission slips" have been valuable, but no one should have to go to the President of the United States to receive permission to do the right thing—get the care they need in the least costly, highest quality way. The Congressional Budget Office is currently working on a cost estimate, and we expect this bill to be at least budget neutral for the Medicare Program and to show substantial savings for Medicaid. If the cost estimate shows that we need further refinements, you have my commitment to make them.

Very simply, Mr. Speaker, this bill should achieve two very important goals—it should save the Federal Government money and should bring people home. The Medicare and Medicaid Programs, the taxpayers, families like Katie's, and people who need ventilator care would all be winners.

I urge my colleagues to support this bill, especially as we work through the Medicare and Medicaid budgets this year and look for ways to provide cost-efficient, high quality care in the most suitable setting. ●

VETERANS' HEALTH CARE SHOULD BE A NATIONAL PRIORITY

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. RAHALL. Mr. Speaker, as we continue to address the budget for fiscal year 1986, we realize that many Federal programs will be affected by the decisions that will have to be made. We all have different priorities, however, I believe that our commitment to this Nation's veterans must be universal in the House and the Senate.

In this vein, a very high priority of mine is veterans' health care. I want

my colleagues to fully understand the impact of any budget reductions in funds to operate the VA's health care system. It occurs to me that no one is more qualified to relate the problems in the field than the people in the field; according to the chiefs of staff of VA hospitals nationwide who responded to a recent survey, inadequate budgets are already taking their toll.

More cuts in the budget will mean longer waiting lists, the turning away of certain non-service-connected veterans, and delays in many surgical procedures.

For the further information of my colleagues, there follows a report from the chief of staff at the VA Medical Center in Beckley, WV:

VA MEDICAL CENTER,

Beckley, WV, January 31, 1985.

HOWARD H. GREEN, M.D.,

Chief of Staff, President, NAVACOS, Veterans Administration Medical Center, White Junction, VT.

Subject: Questionnaire.

1. In response to your letter of January 2, 1985 concerning problems with deficits in pharmacy accounts, etc., the following is submitted:

(a) Size of hospital (include NHCU beds): 174 GM&S, 42-Bed NHCU.

(b) Affiliated? No.

(c) Projected dollar deficit as of January 1, 1985:

1. Personal Service—The combination of unfunded and underfunded personal service costs during the past two years has resulted in a Personal Service deficit of over \$85,000.

2. All Other—We project a deficit of \$82,000.

(d) Impact of dollar deficit:

1. Personnel—Due to the pending deficits, we are working with major personnel deficiencies. We have only two Nurse Anesthetists on staff; during periods of leave (annual, sick, educational), one person must provide 24-hour coverage for several days.

We have an employment level to provide only two Nursing personnel per ward during evening and weekend tours. We need at least one additional employee per ward during these tours to provide adequate coverage.

Some other areas of concern include physician and nursing personnel support in the Ambulatory Care Section, and additional support for pharmacy and MAS.

2. Supplies—Our Fiscal Year 1985 Target Allowance for All Other funds is 30 percent less than received in Fiscal Year 1984. As a result, minimal stock levels are maintained in all areas of operations. This has caused special problems in Pharmacy Service and the Operating Room. Nonemergency requests for supplies and services are being deferred until additional funds can be secured.

3. Equipment—We received less than \$45,000 in Additional Equipment funding for Fiscal Year 1985. We currently have requests for additional equipment which significantly exceed our limited funds.

4. Backlog of patient surgery (specific numbers, types, and length of delay)—NA.

(e) Solutions you have devised (please be specific):

1. Placed an employment lag of one month before filling vacancies.

2. Reduced M&R service contracts by 30 percent. Service is being performed by staff bio-medical technicians.

3. Expanded tours of duty in Laboratory and Radiology Services, which reduced the

hours of standby duty and the corresponding standby duty pay.

4. Implemented controls on the use of expensive drugs, such as antibiotics and anti-arthritis medications.

(f) Any other comments germane to the issue of resources. None.

ANTHONY DINH, M.D.,
Acting Chief of Staff.

**HONORING GOOD SCOUT
AWARD RECIPIENT AL NATIVIDAD**

HON. ESTEBAN EDWARD TORRES

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. TORRES. Mr. Speaker, I ask my colleagues to join me in honoring the mayor of Pico Rivera, Al Natividad, who has been selected as the 1985 recipient of the Rio Hondo district Boy Scouts of America prestigious Good Scout Award.

Al was born and raised in El Paso, TX, and is a veteran of World War II. After the war he moved to California and studied at East Los Angeles College, California State University at Long Beach, and the University of Southern California.

Mayor Natividad has served over 30 years in law enforcement, rising to the rank of inspector with the Los Angeles County Sheriff's Department. He retired in 1982 after having served as police chief for Pico Rivera and commanding an area containing the Norwalk, Lakewood, and Pico Rivera sheriff's stations.

In 1982, Al was elected to the city council of Pico Rivera and in April 1985 was appointed mayor. He is admired by his friends and the citizens of Pico Rivera for his dedication and service to the community. I have had the pleasure of knowing and working with Al for several years. Mayor Natividad has graciously served as a member of the military academy panel which makes recommendations to me on appointments to the military academies from the 34th Congressional District.

Mayor Natividad has served Pico Rivera with distinction as a member of the Pico Rivera Redevelopment Agency, the Pico Rivera Housing Assistance Agency, and city representative to the League of California Cities. He is a member of the legislative committee for the Southern California Association of Governments and State Advisory Group to the Governor on Juvenile Justice and Delinquency Prevention.

Mr. Speaker, I rise today on the floor of the House to proudly recognize my friend, Mayor Al Natividad for his outstanding service to the youth and people of Pico Rivera. He will be honored at a benefit dinner for the Boy Scouts, Cub Scouts, and Explorer

Scouts on June 13, 1985. I want to join with others to pay tribute to his contributions.●

IN HONOR OF JOE BARTH

HON. JAMES J. FLORIO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. FLORIO. Mr. Speaker, Joe Barth of Brooklawn, NJ, is being honored by the town of Brooklawn, Camden County, and the Brooklawn American Legion Post, No. 72, for his 34 years as coach. Through Joe's skills and dedication, his teams have won 33 area, 12 State, and 4 Eastern U.S. championships. In 1984, the team finished second in the American Legion World Series for 16- to 18-year-old young men, played in New Orleans, LA.

Joe has had a profound and positive impact on the many young men he has coached. Over 200 boys have been recipients of scholarships to play college baseball, and over 60 have become professional players.

I have been fortunate to know and work with Joe as a former fellow elected official and as a dedicated community leader. Joe, his wife Helen and their five children have lived and participated in their community for many years. Joe is most deserving of the honor being bestowed on Saturday, June 8, as an outstanding example of voluntarism and commitment to their community and our youth.●

PROF. NICHOLAS J. GRANT

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. RITTER. Mr. Speaker, today I would like to bring to the attention of my House colleagues a symposium June 16-18 honoring the career of Nicholas J. Grant, professor of metallurgy, department of materials science and engineering, Massachusetts Institute of Technology. Professor Grant has been an honored faculty member at MIT for 40 years. His accomplishments, however, are not only in the realm of academia. Dr. Grant was among the first to push the technology transfer from the university to applications in industry. Even in the early 1950's while doing research in high temperature alloys and titanium, Dr. Grant realized that funding would continue to be provided only if the results were useful to the national welfare.

Dr. Grant went to Carnegie Institute of Technology in Pittsburgh on a football scholarship. He graduated with a

B.S. in metallurgical engineering in 1938. He obtained his Sc.D. in metallurgy in 1944 from MIT and began his teaching career at MIT the following year. In 1956, he was appointed a full professor.

Professor Grant's current research efforts are concentrated on high temperature metallurgy and materials with a major emphasis on rapid solidification science and technology. He has over 370 publications to his credit. Dr. Grant served on the Advisory Committee on Materials and Structures of NACA, the predecessor of NASA, from 1948 to 1958, then on the same committee under NASA from 1958 to 1966. From 1968 to 1974, he was a member of NASA's Research Advisory Committee, for a time serving as chairman. In all, he served 24 years on the two committees, an exception to NACA and NASA rules. He also served on numerous Government and institutional committees concerned with material topics. On these committees Dr. Grant was able to successfully transfer processes and data developed at the university to applications in the defense and civil sectors of our economy.

Dr. Grant also holds more than 30 U.S. patents and more than 100 foreign patents. Currently, he serves on the boards of five industrial companies and two mutual funds.

Nicholas J. Grant brings rich imagination and creativity as well as a warm and friendly personality to all his endeavors. His involvement with companies all over the world has enabled him to serve as a scientific ambassador for the United States. He has demonstrated the finest of American qualities to the rest of the world.

Nicholas J. Grant is an American pioneer. His efforts to join academia and industry have made him one of America's most valued scientists. ●

THE FOREIGN MOTOR CARRIER REGISTRATION ACT OF 1985

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. COLEMAN of Texas. Mr. Speaker, today I am introducing a bill to correct the inequities created in a law, Public Law 98-554, the Motor Carrier Safety Act of 1984, passed at the end of the 98th Congress.

That law, though well-intentioned, will adversely affect this Nation's border economy with Mexico. In essence, the Motor Carrier Safety Act of 1984 provided for foreign carriers to obtain certificates of registration from the Interstate Commerce Commission to conduct commerce inside the United States. The original intent of the bill was to protect the American

trucking industry from unfair competition from Mexico. The bill would have limited access for foreign carriers, primarily Mexican, to American markets by providing that they obtain a certificate of registration from the ICC, and only allow them to enter into the commercial zones designated by the ICC along the United States-Mexico border. The administration and the Congress believed that passage of this legislation was necessary to prod the Government of Mexico to open its trucking market to U.S. truckers. While I see no fault with the intent, I strongly object to the means. In effect, this law would cause undue strain on commerce along the United States-Mexico border, already hurt by the 1981 and 1982 peso devaluations. In conversations with the administration, the ICC, the U.S. Trade Representative, and the Department of Transportation, I became aware of the fact that none of these parties sought to bring harm to the American in-bond industry, a major boom to our border economy. Unfortunately, however, that is exactly what the implementation of Public Law 98-554 would do. Therefore, I am introducing a bill which would correct this situation without causing any harm to the American trucking industry, nor eliminate the road safety measures contained in the original bill.

My bill, the Foreign Motor Carrier Registration Act would do the following:

Clarify certain requirements contained in Section 226 of the Motor Carrier Safety Act 1984 (P.L. 98-554) regarding foreign motor carriers;

Clearly distinguish the type of certificate to be issued to foreign carriers;

Establish—

That registration requirements apply to all foreign carriers providing transportation of property (including exempt items); and,

That registration requirements relate to "commercial motor vehicles."

Establish—

The "fit, willing, and able" safety roadworthiness requirements applicable to foreign carriers when providing interstate transportation; and

The areas in which foreign motor carriers and foreign motor private carriers (foreign and United States owned and controlled) will be allowed to operate.

Mr. Speaker, the Foreign Motor Carrier Registration Act of 1985 is necessary to correct the inequities contained in Public Law 98-554. This bill reaffirms the existing law's safety provisions and strengthens them. It continues to protect the American trucking industry. Perhaps most significant, it avoids the undue harm on the American in-bond plant industry, which is so important to the United States-Mexico border region. It has only been a short 2 years since the drastic Mexican peso devaluations devastated this Nation's border economy. To cause further injury, which the implementation of Public Law 98-554 would do,

could provide the fatal blow to that region with repercussions felt throughout the entire economy of the United States. ●

FIRST ANNUAL ANNE FRANK AWARD

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. WEISS. Mr. Speaker, Anne Frank was a remarkable young girl who retained her spirit and optimism even when forced into hiding to escape from the Nazis. Her diary attests to her steadfast courage in the face of constant danger. To commemorate the anniversary of Anne's birthday, this year there will be a major exhibition on the life and times of Anne Frank. Coinciding with the opening of the American Forum on Religion and Politics the American Friends of the Anne Frank Center will be presenting the first annual Anne Frank Award to Prof. Elie Wiesel.

The selection of Professor Wiesel for this great honor could not have been more appropriate. He has played an important and decisive role in making the public aware of the Holocaust. Professor Wiesel believes it is essential for the world to know how and why the Holocaust occurred because such an event can be prevented from recurring only if we understand why it happened the first time. Professor Wiesel had dedicated his life to this mission. Himself a survivor of the Nazi concentration camps, he subjects himself to the very real pain of recalling his horrifying memories again and again. His life is of such nobility as to have achieved almost universal praise and admiration.

The people at the Anne Frank Center also work to spread the story of the Holocaust throughout the world. They have chosen Professor Wiesel as the recipient of the first annual Anne Frank Award as a gesture of gratitude and respect. I complement the center for its fitting choice and congratulate Professor Wiesel as he receives this honor.

Just prior to being taken to the concentration camp where she died, Anne Frank wrote in her diary: "... in spite of everything I still believe that people are really good at heart." Her optimism was unwavering. She must have known that somewhere outside her secret hiding place there were people like Elie Wiesel. ●

TRIBUTE TO ROBERT F.
KENNEDY

HON. ROBERT G. TORRICELLI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. TORRICELLI. Mr. Speaker, today, we note 17 years since the tragic and untimely death of Senator Robert F. Kennedy.

In his death, there is only tragedy; but in his life, there was a moral dedication that is nothing less than inspirational.

What Robert Kennedy meant to us, and to all those he touched, was best summed up by his eldest son, Joseph, 2 years ago when he wrote:

At the end of his life he was, many said, virtually alone in the ability to gather an almost fervent support from millions of America's working people—black and white and Spanish-speaking. He had become, I guess, a kind of populist * * *. Now, as I think of what has happened here in America and in other countries, too, I realize that millions of plain people, trying to make a go of it, often against considerable odds, are entitled to keep mourning the terribly premature death of Robert F. Kennedy as much as those in his family still do * * *.

His was a spirit that could neither be dampened nor corrupted, and his tenacity gave hope to us all. In a world of cynicism, he held fast to the dream of a brotherhood of man.

William Manchester recently wrote some words about President Kennedy which, I think, are just as appropriate for his brother Robert. Manchester compared the President to the brightness of the star Capella, "It is brilliant, it is swift, it soars. Of course, to see it, you must lift your eyes. But he showed us how to do that."

Robert Kennedy showed us, as a people, how to lift our eyes to the future, how to extend a hand of compassion to the unfortunate, how to wield the sword of truth against injustice, how to inspire the dreams of youth and, finally, he showed us how to better mankind through hope.●

HONORING MICHIGAN HOUSING
COUNSELORS AND ERWIN R.
KING

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. BONIOR of Michigan. Mr. Speaker, it is a distinct honor for me to mark today the 25th anniversary of the founding of Michigan Housing Counselors/Michigan Credit Adjusters, and to honor as well its distinguished founder and president, Erwin R. King.

Mr. Speaker, Mr. King and his firm are Michigan's oldest and most re-

spected, and perhaps largest housing and credit counseling agency. The standards this firm has set over the last quarter century have shaped financial counseling in Michigan.

Mr. King's firm has had a major impact on Michigan's financial markets. In its 25-year history, the firm has counseled over 10,000 clients on consumer debt problems, preserving over \$30 million. They have counseled over 5,000 mortgage cases, saving over \$200 million in assets.

Mr. King has served as the president of the Michigan Association of Credit Counselors. His experience and professional reputation have extended far beyond Michigan. He has served as the secretary treasurer of the American Association of Credit Counselors.

Many of my colleagues will remember that several years ago, when the small but important Federal program to provide housing counseling was under attack, Mr. King came to Washington and testified in support of the program. His eloquent and specific statement was instrumental in saving that program.

Mr. King has also been a major influence in community affairs throughout southeastern Michigan. His firm contracted to provide counseling to low income families in Macomb County, receiving just \$1 a year from the county to bind the contract. From 1969 through 1980, Macomb Credit Adjusters donated over 18,000 hours in counseling to over 2,500 clients, handling over \$5 million under the contract with Macomb County.

Mr. King's years of community service touches many agencies vital to southeast Michigan. He has been active in the Michigan Cancer Society, the Kiwanis Club, the Michigan United Fund, as well as the Macomb County Human Resources Committee.

Mr. Speaker, I could go on and on about Mr. King's community service. It surprised few people when Mr. King was named "Citizen of the Year" by the Macomb County Board of Commissioners in 1979.

Mr. Speaker, Mr. King has helped give birth to the industry of financial counseling in Michigan, seeking the highest standards for the profession, handling over a quarter of a billion dollars in assets, and in the process protecting and shaping our neighborhoods and communities.

And the growth and expansion of Mr. King's work is not over. His firm is presently considering plans to begin franchising credit and mortgage counseling services across Michigan. There is a great future ahead.●

PERSONAL EXPLANATION

HON. TOM LEWIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. LEWIS of Florida. Mr. Speaker, on Thursday, June 6, due to official business, I was unavoidably absent during rollcall No. 142. Had I been present, I would have voted "nay."●

ANTI-APARTHEID ACT OF 1985

HON. ROBIN TALLON

OF SOUTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. TALLON. Mr. Speaker, I rise today with great pride and optimism after this body's vote of 295 to 127 for H.R. 1460, the Anti-Apartheid Act of 1985. I am proud to be one voice in the House of Representative's unified message to South Africa and the Reagan administration that the racist regime of South Africa will no longer receive implicit or explicit U.S. support.

The news media carries almost daily reports of continuing violent confrontations between blacks seeking political and humanitarian rights and the forces of the South African Government.

I believe there can be no doubt that the cause of this violence lies in the system of apartheid, a system which maintains 23 million blacks, the overwhelming majority in South Africa, as outcasts in their own land.

The Republic of South Africa is the only place in the world where racism is enshrined in law. By law in South Africa, the color of one's skin determines whether that person can own property, where he can live, where he may work and whether he can vote.

How can we, as Americans, who pride ourselves on our commitment to civil rights, continue to directly or indirectly support a Government which denies the most basic of human rights to the largest racial group in its country?

That is why this legislation is so important and why I strongly supported its adoption.

We all agree that the apartheid system is moral and political evil. The question is how the United States can most effectively use its influence to change this system of institutionalized segregation.

The time is now for a new policy—one consistent with American values and American national interests. But we must make clear our opposition to apartheid in deed as in word.

Mere rhetoric can no longer suffice in the face of grave injustice and gross violation of state authority against a

people who merely seek what we all seek—equal political economic and social rights before the law.

America's economic strength will no longer go to support apartheid. Quite simply, this legislation imposes four economic sanctions on South Africa: a ban on loans to the South African Government, a ban on any new investment in South Africa, a ban on the importation of South African Krugers, and a ban on the sale of computers to the South African Government. The bill also establishes penalties for violations of these economic sanctions.

The measure also permits the President, only with congressional approval, to waive for a limited period the prohibitions involving new investment and gold coins if the South African Government meets one of eight conditions stipulated in the bill. The conditions require the South African Government to take definite steps to dismantle apartheid.

These economic sanctions will clearly indicate to the South African Government and the world that South African governance by threat or repression will no longer be tolerated. Through this legislation and further efforts, we can move to the construction of justice, freedom, and hope in South Africa.●

PERSONAL EXPLANATION

HON. HAROLD ROGERS

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. ROGERS. Mr. Speaker, on June 4, 1985, I was unable to be present for rollcall No. 134, an amendment to H.R. 1460, the Anti-Apartheid Act of 1985. Had I been present, I would have voted "aye."●

A TRIBUTE TO ROBERT H. MCGOWAN, CHIEF OF POLICE, CITY OF PASADENA, CA

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. MOORHEAD. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues in the House of Representatives the retirement of a dedicated and effective public servant, Chief Robert H. McGowan of the Pasadena Police Department.

Chief McGowan joined the Pasadena Police Department in March 1954. Within a decade and a half, he was appointed the top law enforcement officer in the city of Pasadena. In that position, he made his presence felt almost immediately with an extensive

reorganization of the department. He started the police helicopter patrol, which has achieved an unexcelled enforcement and safety record. He established the first full-time school resource officer program in the State of California. He organized a full-time special enforcement team, a youth services section to provide a wide range of alternatives to cope with juvenile crime problems, a Neighborhood Watch Program, a victim assistance team and a special narcotics task force, which has enjoyed considerable success.

In a word, Chief McGowan developed a police department that was responsive to the needs of the time and the city of Pasadena. He helped mold a police department that is a source of pride to the community and the people who serve in the department.

He has also served with distinction and respect on numerous county and State peace officers associations, being the president of the California Police Chiefs Association in 1981.

Chief McGowan's civic activities are almost as numerous as his law enforcement and criminal justice activities. He served with the Pasadena chapter of the American Red Cross, the California National Guard, the League of California Cities, the Pasadena City College Board of Directors Alumni Association, the Los Angeles Area Council on Community Relations and the Pasadena Little League.

The residents of Pasadena and the wider community will miss Robert McGowan's numerous contributions to the safety and welfare of our society. He is a man worthy of emulation and a man who deserves our gratitude for his countless contributions to our well-being.

Mr. Speaker, on behalf of myself and the residents of the 22d Congressional District, I wish for Robert McGowan in retirement the very best, which is what he has been giving us for so many years.●

AMERICA'S SPIRIT OF ALTRUISM ALIVE IN FLAGLER COUNTY

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. CHAPPELL. Mr. Speaker, as many of my colleagues are aware, Florida was recently subjected to a series of fires which left hundreds of thousands of acres blackened and hundreds of Floridians homeless.

One of the largest and most devastating of these fires occurred in Flagler County in the Fourth Congressional District. This fire burnt almost 30,000 acres and destroyed over 100 homes.

In response to this disaster, the people of Flagler County and neighboring jurisdictions banded together in a cooperative effort of voluntarism and hard work. Over 300 firefighters worked around the clock to bring the fire under control. After a tireless and courageous fight, and some help from Mother Nature in the form of rainfall, the fire was halted.

While controlling the fire brought relief, it also allowed local residents to focus on the devastation their community had suffered. However, the people of Flagler County, with the help of an unprecedented outpouring of needed commodities from nearby residents and over 250 volunteers, have begun the cleanup and to put their community back in order.

Mr. Speaker, much work remains to be done in Flagler County, but tribute must be paid to those who risked their lives and gave of their time and money to help their fellow citizens in their time of need. While the devastation has been great, the community response has shown that America's spirit of altruism is alive and well in Flagler County.●

EVA FOURNIER, OUTSTANDING SENIOR VOLUNTEER

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Ms. SNOWE. Mr. Speaker, Eva Fournier, of Rumford, ME, has just been named the Outstanding Senior Volunteer for Maine by the Federal Administration on Aging. At the age of 90, she is leading a life filled with energetic activity and concern for her friends and community.

Just a partial list of Eva's volunteer efforts illustrates her dedication to people of all ages in the Rumford area. Mrs. Fournier donates 30 hours each week to the Rumford Retired Senior Volunteer Program [RSVP]. Three days a week she is the "money lady" at the Rumford congregate meal site. Once a week she works with residents at the Cozy Inn Nursing Home, and clerks once each week at the Second Time Around Shop, a fundraising activity for the benefit of senior citizens projects. She assists with getting out the monthly senior citizen newsletter and regularly bakes for senior citizens fundraising sales.

Eva reaches out to those who are taking their first steps in life as well, by knitting and crocheting mittens and other articles for the local Head Start Program. While it's easy to see why the RSVP coordinator said it would take five volunteers to replace her, I don't think anyone could replace Eva—only follow her.

I take great personal pride in having had the honor of nominating Eva Fournier as Outstanding Volunteer. She stands as a role model for women of all ages: committed to brightening her life by improving the lives of those around her. It is a virtue that shines even greater because of her nine decades of life.

Mr. Speaker, I join with hundreds of others in Maine in saluting and thanking Eva Fournier for her tireless efforts.●

THE 1985 LONG ISLAND HIGH SCHOOL OF THE YEAR

HON. ROBERT J. MRAZEK

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. MRAZEK. Mr. Speaker, I rise today to bring to the attention of my colleagues the exceptional endeavors of some special high school students in New York's Third Congressional District.

Mineola High School in my district has just been awarded the grand prize in the 1985 Long Island High School of the Year competition for its outstanding contribution to community services. The award is presented annually by Newsday, Long Island's daily newspaper.

Mr. Speaker, we live in the greatest democracy in the world. Part of America's strength lies in the selfless and consistent voluntary support given by the youth of this country to those less fortunate. The students of Mineola have upheld the American tradition of voluntarism by donating their valuable time to causes which bring personal rather than financial rewards. The students have learned that sometimes even a minimum effort can bring immense, intangible joy to others' lives, and a special satisfaction to their own.

The Mineola students focused their efforts on one of the most critical community needs—enhancing communication between youth and senior citizens. Aging is a process most of us will someday confront. Yet, at the same time, few of us are adequately prepared to face the problems naturally connected with aging, such as loneliness and physical illness. The students of Mineola High established a Nursing Home Visitors Program, through which groups of students visited nursing homes over a period of 6 to 8 weeks. They also held fundraisers so they could invite senior citizens from Mineola to a luncheon at the school cafeteria with the high school students acting as waiters and cleanup crew.

These programs were specifically designed to dispel myths and stereotypes often held by youth about aging and the elderly. In light of this outstand-

ing community service, I want to applaud the students' efforts, encourage continuation of these endeavors, and congratulate them on their selection by Newsday as the 1985 Long Island High School of the Year.●

GENERAL AGREEMENT ON TARIFFS AND TRADE NEEDS TO BE REEVALUATED

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, March 28, 1985

● Mr. THOMAS of California. Mr. Speaker, today I introduce a resolution calling upon the President to reevaluate the General Agreement on Tariffs and Trade [GATT] as a tool for obtaining relief for U.S. industries from unfair trade practices. If the President should determine GATT will not afford relief on our outstanding trade complaints within a reasonable period of time, the President is further urged to recommend to Congress appropriate reductions in U.S. funding of GATT activities.

This is not a resolution about GATT's dismal control of subsidies in agriculture or the European Community's callous refusal to agree to new trade negotiations on export subsidies and settlement processes. This resolution simply asks why the United States should continue to fund an international organization that seems to have no power to protect U.S. trade rights.

Recently, the European Community made it clear it will block any further action on a GATT panel report in favor of U.S. citrus producers. Having followed GATT rules since 1982 in seeking relief from EC trade preferences that nullify and impair U.S. rights, U.S. orange and lemon growers are now learning that GATT prevents them from getting relief. GATT actions are taken by consensus, and the EC's opposition to further action means the defendant in this action has simply decided not to allow any more to be done. The community's blatant action is no different in principle than its refusal to permit adoption of an earlier panel decision in favor of the United States on unfair EC export subsidies for pasta.

These actions show that the European Community or any other party can effectively deny the United States its rights under the agreement any time we stand a reasonable chance of winning a complaint. Why should the United States continue funding an organization that is of no use in protecting our trade rights? It seems the United States is only paying for the right to be told, drop dead.

In the near future, Congress will act on a conference agreement for the

fiscal year 1986 budget. Lots of Americans are going to be asked to sacrifice under that budget no matter what it contains. The House will make hard choices and will undoubtedly demand that Government expenditures produce as much public benefit as possible.

One of those hard choices should be on our funding of GATT. The United States is supposed to supply GATT mechanisms with 14.88 percent of their funding this year, about \$3.4 million; last year, the United States provided about \$3 million. I am sure my colleagues will agree that we should demand some benefit from such expenditures. The time has come for a critical reevaluation of GATT's failure to provide relief, its poor prospects for providing relief in the future, and the barefaced waste of U.S. funds.

I urge my colleagues to join me as cosponsors of this resolution in order to emphasize the need for scrutiny of GATT's dismal performance. Unless the United States signals its displeasure with GATT's Byzantine and useless mechanisms, we will never get our trading partners to seriously discuss necessary reforms.●

A CONGRESSIONAL SALUTE TO JIM VAN STEDUM, OUTGOING PRESIDENT OF THE GREATER LAKEWOOD CHAMBER OF COMMERCE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. ANDERSON. Mr. Speaker, I would like to take this opportunity to draw attention to the achievements of Mr. Jim Van Stedum, soon to be honored as the outgoing president of the Greater Lakewood Chamber of Commerce. Let me say at the outset that this can be, due to space limitations, at best a sketchy tribute to this gentleman who has contributed so much to our community.

Jim, the oldest of 12 children, was born on a dairy farm in Arpin, WI, in the same house that his father was born in. After attending Stevens Point College, he opened a vacuum cleaner store. Wisconsin's loss was California's gain when, in 1956, Jim came to Long Beach and worked for Sears & Roebuck. After serving 2 years in the Army, he went to Chicago where he worked for Ardis & Co., managing office space in the Loop.

Returning to Long Beach in 1960, Jim demonstrated his prowess at various sales positions. In 1977, he became a Farmers Insurance agent. Since then, his agency has grown to be one of the most successful Farmers Insurance offices in the area.

Since joining the Lakewood Chamber in 1979, Jim has continued to spread his positive influence to the benefit of the Lakewood/Long Beach community where he and his wife, Eileen, reside. He served on the board of directors in 1980 and held the position of 2d vice president in 1982. Jim is soon to conclude his term as the 1984-85 president. In addition to his activities with the chamber, he is a member of the Moose and Eagles lodges, and has served as treasurer and trustee for the Eagles as well as being head of the Max Bear Heart Fund for 1 year.

Jim Van Stedum is one of the many outstanding citizens whose activity in the community has added immeasurably to its betterment, and which makes me proud to represent the 32d District of California. My wife, Lee, joins me in wishing Jim and his wife, Eileen, all the best in their future endeavors. ●

POLITICAL LABELS OFTEN MISLEADING IN REFLECTING AFRICAN REALITIES

HON. HOWARD WOLPE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. WOLPE. Mr. Speaker, a significant gap exists between political labels and policies in almost every African country. It is a gap that has grown dramatically over the 25 years of African independence. Since 1960, African governments and societies have experimented with a variety of governmental and economic techniques and structures in their search for development and national growth. In numerous cases, the application of borrowed Marxist and Socialist principles have failed to alter or counteract a protracted economic decline throughout the continent. Indeed, as practiced in several African nations, Marxism and socialism has produced as wide a gap between expectations and fulfillment of economic well-being as that in many Warsaw Pact countries. As a result, there is disillusionment in many African capitals and a search for different approaches to Africa's economic woes.

Consequently, African leadership circles are reconsidering their ties to Western technology, capital, and expertise. It is important that the American response to these renewed overtures include a willingness to construct a dialog with all African countries, no matter their political labels. It is important that we do so in order to position ourselves to take advantage of this African attempt to reorder priorities in a way that best serves to strengthen and protect U.S. interests. As the weaknesses of the Soviet model are exposed and reexamined in the African context, the United States

should move to support and offer expanded assistance toward alternative approaches for economic growth and development. I commend to my colleagues an article by Glen Frankel of the Washington Post that articulates very well certain aspects of this process of change, which is presented as follows:

[From the Washington Post, June 6, 1985]

SOCIALISM SEEN LOSING APPEAL IN AFRICA (By Glenn Frankel)

HARARE, ZIMBABWE.—This continent, strewn with human victims of economic failure, is claiming an ideological victim as well.

Africa socialism, born and raised as the privileged offspring of the independence decade of the 1960s and grown to maturity in the Marxist-Leninist states of the 1970s, has been dispossessed and increasingly rejected in the squalor and turbulence of the 1980s.

Two weeks ago Tanzanian President Julius Nyerere, one of the founding fathers of African socialism, announced the lifting of his country's 14-year ban on private ownership of rental housing and a plan to sell off many state-owned farming estates to private businessmen.

The self-proclaimed Marxist state of Mozambique recently drafted a new private investment code, lowered taxes and eased import and export controls in a bid to attract foreign capitalists. It is one of several African states seeking investment from multinational firms they once viewed with open hostility. Similarly, Zimbabwean Prime Minister Robert Mugabe, who calls himself a Marxist-Leninist, mentioned socialism only twice in his annual address to the nation in April, and then only to assure this audience that his socialist goals would be achieved "by education and persuasion and not by imposition and compulsion."

Many reasons lie behind the retreat from socialism. One is the failure of socialist-oriented governments such as the ones in Tanzania and Zambia and Marxist states such as Ethiopia to meet their people's basic needs. Another is general disenchantment with the Soviet Union, which has not been able to supply sufficient funds and other resources beyond arms to allies such as Ethiopia, Angola and Mozambique and which ideologically has often treated those nations as well-meaning but impressionable children rather than full-fledged socialist partners.

But the most compelling reason is sheer survival. Many countries practicing socialism, whether of Nyerere's "humanistic" variety or the more ideological Marxist mode of Angola and Mozambique, are facing economic disaster and groping for new ways to stimulate growth. Increasingly they are forced to turn to the West for capital and for ideas.

About 10 of Africa's 50-odd nations call themselves socialist and another eight refer to themselves as Marxist. But the list includes such anomalies as Zimbabwe, whose leadership considers itself Marxist even while the country functions under a mixed, often capitalist-dominated economy.

Like Nyerere, many of these leaders turned to socialism in the late '60s and early '70s after the first decade of independence when they decided that capitalism had produced "growth without development," that is, increases in the gross national product but not better living conditions for the vast majority of their people.

Few leaders are willing to concede publicly what they now are retreating from the so-

cialist model. But the impact of the steps many are taking is clear.

"We've been living beyond our means," said Tanzanian Finance Minister Cleopa Msuya, one of those overseeing his nation's policy reforms. "Cutting costs is neither socialism nor capitalism; it's just common sense." But, he added, "those who are realists can see the country is moving in a new direction."

A key feature of that new direction has been a move away from economic centralization. Once a prime goal of the newly formed countries of Africa, centralization was designed in theory to mobilize all of a nation's thin resources for the push toward development.

In practice, centralization often led to bloated and corrupt bureaucracies and state-controlled companies in national capitals run by poorly trained officials who had little or no idea of needs and priorities in the countryside, where most Africans live.

In many countries, central planning started as a watchword and soon became a farce. Mozambican officials never even bothered to publish their last five-year plan, which was designed in 1981 and scrapped the same year. Planning officials here were conceding that Zimbabwe's last three-year plan was out of date even before it was announced in 1983.

Part of the problem with socialism in Africa is that no government ever had defined it firmly. The early rulers of independent Africa, including Nyerere, Ghana's Kwame Nkrumah and Zambia's Kenneth Kaunda, sought to create a special brand of distinctly African socialism that was classless, agrarian and noncoercive and that harked back to the precolonial days when, it was claimed, a sort of pastoral communism flourished in Africa. But while Nkrumah moved increasingly toward a Marxist model, Kaunda tried to build a massive welfare state based on the earnings of one industry—copper—while Nyerere eventually opted for a complete overhaul of Tanzania's countryside by compelling peasants to relocate in collectivized villages.

All three models failed: Nkrumah's when he was overthrown, Kaunda's when the copper wealth ran dry and Nyerere's when peasants rebelled against forced moves and low farm prices by withholding their crops from the official marketplace.

In other nations, socialism began not as a program but as a response to perceived repression. Since white-minority governments in countries such as Angola, Mozambique and Zimbabwe called themselves capitalist, their black guerrilla opponents quickly identified themselves as socialists.

"To be a socialist meant to be opposed to the white-minority regime and to racism," said Willie D. Musarurwa, editor of the Harare Sunday Mail, who spent 10 years behind bars under white-minority rule here. "It had very little to do with real ideology or economics."

But after independence, translating liberation-movement slogans into governmental realities proved extremely difficult. Orthodox Marxism, with its belief in a broad, functioning working class and a small, vanguard revolutionary party as prerequisites for socialist transformation, often seemed less than relevant to an Africa that lacked industry and resources and whose political parties generally were mass organizations embracing many social classes and ideologies.

Even the Soviet Union, which encouraged the spread of communism in Africa, could

not bring itself to call its new Marxist regimes "socialist," instead they were labeled "socialist-oriented," a tag many African Marxists viewed with contempt.

Africa's economic agony has led even the most doctrinaire Marxists to rethink their policies. Angolan officials have said their Soviet economic advisers have encouraged them to turn to western transnationals such as Gulf Oil for new capital during what they describe as the "transition period" between the colonial past and a socialist future.

Marxists and other radical analysts defend themselves in part by denying that socialism ever got a chance in Africa.

"A lot of these regimes weren't really socialist to begin with," said Nelson Moyo, chairman of the economics department of the University of Zimbabwe. "The idea of centralizing everything at once without adequate manpower or training—that's not necessarily socialism."

Some radical analysts contend that the retreat from socialism is largely a result of pressure from western aid donors and lenders such as the World Bank and the International Monetary Fund.

Others say fruits of African independence have not been lost despite recent setbacks.

"Africa made a major step forward in becoming independent," said Paul Brickhill, a leftist intellectual who manages a socialist bookstore in Harare. "But now the struggle has moved to a further stage."

Paradoxically, some analysts suggest that the country that may have the best chance of achieving genuine socialism is the last holdout against black rule—South Africa. There, the reasoning goes, exists the largest, best trained and most politically sophisticated black working class and industrial base in Africa, some of the continent's fastest growing trade unions and a readily identifiable class enemy. If ever there is a workers' revolution in Africa, some Marxists contend, South Africa is where it will occur.●

**IN SALUTE OF SACRAMENTO'S
KAISER PERMANENTE HOSPITALS
20 YEARS OF PROGRESS,
QUALITY AND CARING**

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. MATSUI. Mr. Speaker, for 20 years Kaiser Permanente has provided outstanding service to my home community of Sacramento. On behalf of Sacramento, I would like to commend the Kaiser Permanente Medical Care Program and recognize its vital contributions in enhancing the quality of health care service in my community.

Kaiser first opened its doors in Sacramento on May 1, 1965. In the two decades since that date, Kaiser has grown from a small 64-bed hospital and clinic to two medical centers in Sacramento County and a medical office complex in Roseville, serving over 300,000 people which is equivalent to one out of every four residents in the Sacramento area.

The nature of health care, the demand for certain services and the role of medical providers has changed

dramatically in 20 years. Such a transition requires flexibility, creativity and the willingness to take risks. These skills and talents, coupled with Kaiser's innovation, commitment and personal caring has thrust them from a maverick in health care to a national leader in the quest to provide the highest quality of care at an affordable price.

Again, Mr. Speaker I would like to commend and congratulate Kaiser Permanente on its 20th anniversary and wish them many more decades of success in Sacramento.●

THE REGISTRATION PROGRAM

HON. GERALD B.H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. SOLOMON. Mr. Speaker, when the House considers the Department of Defense Authorization Act I will offer two amendments aimed at strengthening our country's registration program. The first amendment simply states that no person who is required to register with the Selective Service and has not registered, shall be employed in civil service positions in the Federal Government. The second amendment prohibits individuals who have failed to register from working under a Department of Defense contract. These measures simply extend current laws which prohibits taxpayer benefits from individuals who have failed to register. They provide a practical and relatively inexpensive way to improve the effectiveness and fairness of the registration program.

Failure to register is not a victimless crime. The victims are the over 13.5 million patriotic young men who have abided by the law. Each man who ignores the law increases the draft vulnerability of those who have registered. The purpose of these amendments is to assure that the young men of our country are treated fairly.

We still have a large number of young men who are not registered and if Congress authorized a draft today the system would bypass those who have ignored the law and only call up those who have abided by the law. This is the problem my amendment seeks to address. These amendments are strong inducements to comply with the law. They will improve registration compliance and by so doing will insure that the young men of this Nation are treated in a fair and equitable manner.

Peacetime registration is a straightforward and vital contribution to the maintenance of our Nation's defense. The program contributes up to 2 months to our national readiness posture in the event America must mobi-

lize. Linking Federal employment and employment created by defense contracts to the registration requirement simply tells young men that they cannot expect the benefits of our society if they fail to meet the minimum requirements of citizenship.

America's young men enjoy a priceless heritage: They are better off politically and economically than young men in any other country at any time in the history of mankind. But the freedoms they enjoy did not come easily. In a recent Supreme Court decision involving Selective Service, Justice Lewis Powell stated:

Few interests can be more compelling than a Nation's need to ensure its own security. It is well to remember that freedom as we know it has been suppressed in many countries. Unless a society has the capability and the will to defend itself from the aggression of others, constitutional protections of any sort have little meaning.

The House of Representatives and the other body have overwhelmingly approved similar Solomon amendments. Under current law an individual who wants a job or job training under the \$5 billion Job Training Partnership Act must be registered with the Selective Service. An individual who wants Federal student assistance must be registered with the Selective Service. Now I am requesting individuals who want Government or defense related employment to be registered. These are logical extensions to my earlier efforts.

In 1984 the Supreme Court of the United States, in a 6 to 2 decision, ruled that the original Solomon amendment was constitutional. The two amendments I will offer are crafted in a similar manner. I am hopeful that we can avoid any unnecessary debate concerning the constitutionality of this legislation. With respect to bills of attainder and an individual's fifth amendment rights, the Supreme Court stated in *Selective Service versus Minnesota Public Interest Research Group*, "Section 1113 imposes none of the burdens historically associated with punishment. As this Court held in *Flenning v. Nestor*, 363 U.S., at 617, the sanction is the mere denial of contractual governmental benefit. No affirmative disability or restraint is imposed, and Congress has inflicted nothing approaching the infamous punishment of imprisonment or other disabilities historically associated with punishment.

Congress did not even deprive appellees of title IV benefits permanently; appellees can become eligible for Title IV aid at any time simply by registering late and thus "carry the keys of their prison in their own pockets." *Shillitani v. United States*, 384 U.S. 364, 368 (1966). A statute that leaves open perpetually the possibility of qualifying for aid does not fall within

the historical meaning of forbidden legislative punishment.

With respect to individuals' rights under the fifth amendment the court stated:

However, a person who has not registered clearly is under no compulsion to seek financial aid; if he has not registered, he is simply ineligible for aid. Since a nonregistrant is bound to know that his application for federal aid would be denied, he is in no sense under any "compulsion" to seek that aid. He has no reason to make any statement to anyone as to whether or not he has registered.

My amendments leave open the possibility of qualifying for employment simply by registering and certainly no one is under any compulsion to seek this type of employment.

I hope that the over 300 Members of this body which voted in favor of the original Solomon amendment will continue and which have supported these actions on several occasions will continue to support my efforts to maintain an effective and fair peacetime registration program.●

PENSION PLAN PARITY FOR THE SELF-EMPLOYED

HON. JAMES M. JEFFORDS

OF VERMONT

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. JEFFORDS. Mr. Speaker, today my colleague, BILL CLAY, and I are introducing legislation of a technical nature to complete the process begun in 1982 to eliminate distinctions in the pension law between qualified plans for the self-employed and their employees—H.R. 10 plans—and the plans maintained by corporations. Generally, our bill extends the principle of parity embraced under TEFRA—the Tax Equity and Fiscal Responsibility Act of 1982—to the one area overlooked in that legislation; that is, to loans made to plan participants under H.R. 10 or so-called Keough plans.

In making the 1982 changes, Congress believed that the level of tax incentives made available to encourage an employer to provide retirement benefits to employees should generally not depend upon whether the employer is an incorporated or unincorporated enterprise. Similarly, Congress believed that the rules needed to assure that the tax incentives available under qualified plans are not abused should generally apply without regard to whether the employer maintaining the plan is incorporated or unincorporated.

By amending section 4975(d) of the Internal Revenue Code and section 408(d) of ERISA—the Employee Retirement Income Security Act of 1974—to permit certain participant loans, our bill removes the major remaining impediment to full pension

plan parity for the self-employed. Specifically under present law a qualified corporate plan is permitted to make a loan to a plan participant if certain requirements are met. Generally, the loan must bear a reasonable rate of interest, be adequately secured, provide a reasonable repayment schedule, and be made available on a basis which does not discriminate in favor of employees who are officers, shareholders, or highly compensated. The technical amendments under the bill would extend the identical corporate plan requirements with respect to participant loans to the plans maintained by the self-employed. Given the corrective nature of these amendments, we anticipate these changes to be taken up this year in the context of technical corrections to the appropriate statutory law.●

ADVO SYSTEMS' NATIONAL CAMPAIGN TO LOCATE MISSING CHILDREN

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. LELAND. Mr. Speaker, it is with great pleasure and gratification that I announce today that Michael and Pamela Mayfield, two children from my district who have been missing since January of this year, will be the second and third children featured in ADVO Systems Inc. national campaign to help locate missing children. The children's picture will be featured on ADVO's mailing for the weeks of the 10th and 17th of June.

ADVO System, Inc., a major direct mail operation, introduced this unique campaign in late May to provide assistance in locating missing children. Each week ADVO's address cards, whose mailings reach 40 to 50 million households, will feature a photograph of a missing child along with vital statistics concerning the children and a toll free number for the Center for Missing and Exploited Children. ADVO's campaign is working closely with the center in an effort to create a heightened awareness of this tragic problem. These cards will serve as a reference and a constant reminder of the need for people to actively participate in locating missing children.

I am pleased that ADVO Systems, Inc. has selected Michael and Pamela Mayfield to be featured in their campaign. Michael who is 6 years old and his sister Pamela who is 5, were last seen walking home from school together on January 10, 1985. Nothing is known of their whereabouts since that tragic day in January. For the families, a missing child is a tragic occurrence but for the Mayfield's theirs is particularly distressing. Here is a

family whose lives have been completely devastated because not one but both of their children are missing. We offer our sympathy and can only speculate about the worry, fears, and frustrations this family is having to endure. We are all hopeful that this effort by ADVO Systems, Inc. will be successful and that Michael and Pamela will be located and returned to their home and the agonizing ordeal for them and their family will end.

The promise of a happy ending for families such as the Mayfield's can be realized if everyone actively participates in ADVO System's campaign. Their efforts on behalf of missing children deserve our assistance. ADVO's address cards should be kept handy for easy reference and I encourage all Houstonians, as well as everyone across the country, to make a conscious effort to review the photo and information. It is very important that any information be immediately reported to the toll free number displayed on the card.

I would like to commend the laudable efforts of ADVO Systems, Inc. and its president, William McConnell for providing everyone the opportunity to participate and aid in the search for our missing children. They are to be congratulated for sharing their resources in this worthy and necessary effort. ADVO Systems has exhibited a sense of corporate and civic responsibility that is a model for others to follow as we attempt to combat the ever increasing and tragic problem of missing children.●

BE CAREFUL OF LEGISLATION TO EXTEND MASSIVE TAX BREAKS TO ALTERNATIVE ENERGY INDUSTRIES

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, June 6, 1985

● Mr. STARK. Mr. Speaker, at the end of 1985 the extra 15 percent in investment tax credits for alternative energy are due to expire. Many Members are urging that they be continued.

I would urge my colleagues to be careful. There are some truly dedicated people in this business—and there are some roaring crooks. The following articles describe some of the recent law enforcement actions against the tax rip-off artists who have invaded the scene. Before throwing more billions of dollars at this industry, we need to separate the wolves from the sheep.

The articles follow:

TAX SHELTERS: SUIT AGAINST SOLAR EQUIPMENT PROMOTERS ALLEGES \$78 MILLION POTENTIAL TAX LOSS

(From the Bureau of National Affairs)

A suit filed June 3 against the California promoters of a tax shelter scheme involving the sale of overvalued solar energy equipment to take advantage of investment tax credits and federal and state energy tax credits could have cost the government more than \$78 million, according to the Justice Department.

The civil suit, filed in the U.S. District Court in San Francisco, claims the defendants took advantage of federal and state laws by operating "the type of fraud commonly referred to as a 'Ponzi scheme,'" in which money returned to investors is derived, not from any real business activity, but from cash paid in by subsequent investors, Justice said.

Justice named as defendants in the case the United Energy Corp., Renewable Power Corp., United Financial Corp., and officials of these firms, Ernest P. Lampert, Delphine Lampert, and John P. Thorne, all of Foster City, Calif., and Robert J. Burns of Claxton, Calif.

The tax shelter program, marketed by United Energy Corp., involved the sale of overvalued solar "power modules," which consisted of platforms mounted with parabolic mirrors or optic lenses designed to reflect sunlight onto power heads containing photovoltaic power cells to convert sunlight into electricity, the suit alleged. The modules also would allegedly produce thermal energy as a result of the need for a water circulation system to continually pump water through the devices to cool the photovoltaic cells and prevent them from burning up, Justice alleged.

Purchasers of the modules were encouraged to sign "power sales agreements" with Renewable Power Corp., the operator of "solar farms" in which the modules were installed by United Energy, according to the suit.

Under these agreements, Renewable Power Corp. would agree to purchase the electricity and thermal energy generated by the solar modules from the investor/owner. The solar energy purchased from the investors is purportedly to be sold to public utilities under California's cogeneration laws, while the thermal energy is to be used to run ethanol stills on the solar farms, Justice alleged.

The solar farms are substantially non-operational and have produced and sold less than \$400 worth of electricity, although those who bought the modules in 1982, 1983, and 1984 received statements from Renewable Power indicating substantial amounts of power were being produced, Justice continued, noting that investors were paid for the power supposedly generated.

The suit charged that, since a minimal amount of power was actually produced, the source of these payments was the money initially paid to United Energy Corp. by the purchasers, which was then loaned by United Energy Corp. to United Financial Corp. and reloaned by United Financial to Renewable Power Corp., Justice said.

The overvalued solar modules, which were "fraudulently overvalued by at least 20 times," in effect falsely increased the energy and investment tax credits claimed by investors, because these tax breaks are calculated based on the value of the equipment, according to Justice.

The suit alleges that 749 overvalued modules were sold in 1982, with a potential tax

loss of \$22.47 million and 1,850 were sold in 1983, with a potential tax loss of \$55.5 million. The number of modules sold in 1984 is not known, Justice said in the suit, although it is believed to be less than in 1983.

A typical investor paid \$14,500 in cash and signed a promissory note for another \$40,000 to purchase the solar modules. In return, the investor was able to claim tax savings of \$10,000 based on the energy tax credit and the investment tax credit, \$10,000 based on the California solar tax credit, and more than \$3,000 from federal and state depreciation deductions, according to Justice.

A taxpayer in the 50 percent tax bracket was able to claim savings of "more than \$23,000 in taxes in the year of purchase alone," the department claimed.

The suit sought to have the defendants permanently enjoined from promoting or selling abusive tax shelters and to require them to submit offering material to the Internal Revenue Service at least 30 days prior to offering any tax-sheltered or tax-favored investment plan.

[From the Wall Street Journal, May 1985]

ENERGY TAX-SHELTER PLANS OFFERED MUCH—PERHAPS, STATE OFFICIALS ALLEGE, TOO MUCH

(By Anthony M. DeStefano)

NEW YORK.—It seems like a swell idea. Lease a \$100,000 energy-conservation device for an up-front fee of \$6,500 and take a \$10,000 tax credit. Then have the gadget installed in a building whose owner or manager agrees to share the energy-cost savings—enough to cover subsequent lease payments and possibly leave the investor with some net after-tax cash.

That's a pitch that might impress a lot of people, especially if it were seemingly backed by a favorable report from a major accounting firm. But this one impressed New York state law-enforcement officials, as well. In papers filed in state Supreme Court here as part of a continuing investigation, they say the tax-shelter program is a fraud. The biggest trouble: The \$100,000 energy saver is really worth only \$3,000 or so, state investigators say in court papers.

The plan and two similar programs being probed by New York authorities are among a number of energy-conservation tax shelters coming under legal scrutiny. Since late 1983, the Justice Department has initiated at least six legal actions involving questionable energy shelters, and government lawyers say other investigations are in progress. "I think energy is the scam of the 1980s," says David T. Maguire, a Justice Department tax-fraud lawyer.

A GROWING BUSINESS

So-called shared-savings plans, in which energy-management firms help clients cut energy costs in return for part of the savings, became big business in the early part of the decade. They have continued to grow even though energy costs are no longer rising so painfully.

People in the business say questionable tax shelters are only a small part of a bigger picture. Such schemes detract from the success of hundreds of legitimate energy-service firms, they say. Others, however aren't so sure the abuses are minimal. Some, including Mr. Maguire, say many millions of dollars in tax revenues have been lost in dubious energy shelters.

In New York, the state Supreme Court has issued a restraining order against 58 companies and individuals in connection with a probe by the office of State Attorney General Robert Abrams. Among those

under investigation are three energy-management companies that state law enforcers allege took in about \$50 million from tax-shelter investors around the country in 1982 and 1983. Investigators say some people have already been told their tax credits may be disallowed; others are being audited.

The restraining order prohibits the disputed shelters from being offered in New York or from New York to residents of other states. The attorney general's office is also seeking access to company records, and officials say in court papers that evidence they collect may be taken before a grand jury—the procedure in New York for attempting to obtain a criminal indictment.

Two of the energy-management companies—First Energy Leasing Corp., in Smithtown, N.Y., and OEC Leasing Corp., in Garden City, N.Y.—dispute the state investigators' contentions and deny their allegations of wrongdoing. OEC Leasing, which is also contesting charges against it in a suit filed by federal authorities in U.S. District Court in Uniondale, N.Y., has appealed the restraining order.

The third energy-management company—Saxon Energy Corp., in New York City—hadn't as of yesterday filed a response to the state's action. Phone calls to Saxon's offices were answered by an answering service.

Attorney General Abrams's office filed its legal action in mid-1984 as part of a probe that began with a tip from Touche Ross & Co. The big accounting firm had complained to state officials in late 1983 about what it contends was a misuse of a draft report reviewing aspects of shelters sponsored by First Energy Leasing.

Touche Ross maintains that it was hired essentially to check the mathematics of First Energy's tax calculations and that it had insisted that its report wouldn't be used to promote or market shelters. Nevertheless, court papers say, material from the report showed up in promotional literature given to prospective investors.

The accounting firm has become a defendant in a recent class action brought by two First Energy shelter investors. They allege that a Touche Ross partner, Eric H. Hananel, favorably discussed the shelters on a cable television program of which they saw a videotape. Touche Ross says Mr. Hananel did appear in a videotape that was to be released only after the accounting firm approved it—which the firm says it never did.

Until it was stopped by the restraining order, the plan is said by state investigators in court papers to have worked like this: First Energy leased to investors sophisticated on-off switches that were supposed to reduce electrical costs by controlling electricity according to a set schedule. The company told investors it would arrange to have a service firm place and maintain the devices in commercial buildings where owners or managers agreed to pay investors 50% of the energy savings. Investors would keep 25% of their shares and pay the other 75% to First Energy to cover the tax-deductible yearly lease charges, which were to be based on the amount of energy savings each year.

First Energy allegedly acquired the switches for \$2,500 each in up-front cash and gave a \$97,500 promissory note for the balance, thus creating the \$100,000 valuation on which a \$10,000 tax credit was claimed. In a legitimate arrangement, the state investigators say, the 10% federal tax credit could be passed on to lessees. But they assert in court papers that the fair-market value of the devices is actually about \$3,000.

INSTALLATION QUESTIONS

State law enforcers say it is unclear how many of the energy-saving devices were actually installed. They say some of those that were installed were out-dated, and energy savings were insignificant; in some cases owners or managers who agreed to have the devices installed are said to have told investigators the switches were never connected.

"The investment tax credit appears to be the most significant financial advantage for

investors to participate in the program," Mark Tepper, an assistant state attorney general, says in papers filed with the court. "If you strip away deductions and tax credits, very few people would find it attractive."

Irving Seidman, an attorney for First Energy, says that allegations against the company aren't accurate and that First Energy is vigorously disputing them. Elliot Silverman, an attorney for OEC Leasing, says OEC denies overvaluing its equipment or making any false statements. Mr. Silver-

man, who is with the firm of Kostelanetz & Ritholz, says OEC is challenging the jurisdiction of state investigators, but is ready to have experts explain how the valuation of the energy-saving switch was properly based.

Meanwhile, federal authorities say solar-energy tax shelters that may be similar to the New York programs have cropped up in the Southwest and elsewhere. Says Carolyn Parr, a Justice Department lawyer: "We are always a little bit behind the promoters."●