

EXTENSIONS OF REMARKS

IMPROPER PRACTICES

HON. DAVID DREIER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. DREIER of California. Mr. Speaker, this week, *Newsday*, a daily newspaper on Long Island, NY, is running a five-part investigative series on improper loan practices involving Long Island businesses which were financed by the Federal Small Business Administration. While I want to point out that the illegal practices outlined in this series are not prevalent throughout the United States, they do highlight some of the problems that consistently plague the SBA and create questions about the agency's real impact on the overall small business economy.

I would like to submit for today's *RECORD* the first part of this five-part series published in the May 5 issue of *Newsday*. I will then submit the remaining four parts in future printings of this *RECORD*.

IMPROPER PRACTICES UNCOVERED IN LI SMALL-BUSINESS LOANS

A *Newsday* investigation of government loans to Long Island businesses has uncovered conflicts of interest, loans to companies with organized-crime connections and sloppy lending practices that have wasted millions of dollars in public funds.

Both the federal Small Business Administration and the state Job Development Authority play active roles in Long Island's economic development, granting companies loans at more favorable terms than they could otherwise get. Most of the loans are repaid, and the agencies properly take credit for creating or saving thousands of jobs for Long Islanders.

For some loans, however, the system has a hidden underside. This is a world where officials with authority over loans make private business deals with borrowers. It is a world where the SBA has subsidized alleged organized crime figures whose businesses then collapsed. It is a world of undisclosed, possibly illegal consulting payments; of improper gratuities; of private interests gaining effective control over the lending of government funds.

Newsday's investigation found that the SBA program on Long Island is troubled by some of the same problems that figure in the current national debate over the future of the SBA: failure to secure some loans with adequate collateral; failure to prevent collateral from disappearing when some loans go bad; and failure to prevent criminals from exploiting the program.

The Reagan administration has proposed drastic cuts in the SBA's budget. The debate over the agency's future centers on whether the agency's lending programs are fair and whether their impact on the nation's economy is worth the money.

Both the SBA and JDA delegate a significant amount of their decision making in granting loans to local development corporations—quasi-governmental community organizations that function as official arms of the lending agencies. Three of the state's most active development corporations have operated on Long Island: the Long Island Economic Development Corp. and the Bi-County Development Corp.

Newsday's yearlong investigation centered on those three agencies as well as SBA and JDA. In many instances, SBA officials refused reporters access to key records, claiming confidentiality. One local development corporation offered to produce all of its records, then claimed most of them were missing. In all, it took 22 formal requests under the Freedom of Information Act for *Newsday* to obtain the records on which these stories are partially based. Many other records still are being withheld.

Nevertheless, the *Newsday* investigation found that:

The Long Island Development Corp.'s top official, Steven D. Gurian, admits he has had consulting deals, undisclosed ownership interests or other business deals with seven companies that got \$5,716,000 in government loans with his help. One loan recipient, Gurian said, gave him timeshare units for four weeks each year in a luxury resort. Gurian denied any wrongdoing but acknowledged that his deals did represent "an apparent conflict of interest."

Long Island businesses with ties to organized crime have obtained at least \$1,635,000 in SBA loans, and all those loans have gone bad. Those who have benefited include Salvatore Avellino and Michael Franzese, both identified by authorities as important figures in organized crime. Franzese denies involvement in organized crime. Avellino did not respond to several requests for an interview.

JDA officials said Donald Gallagher, Bi-County's former chief operating officer, did not disclose to the JDA his financial connection to seven projects that received JDA loans totaling \$5,031,001 on Bi-County's recommendation. Gallagher was a paid consultant to the borrowers or their contractors on those projects. After *Newsday* questioned Gallagher's role, he was removed from Bi-County's top post but remains on its board, which includes a broker and a lawyer who also have represented Bi-County borrowers. Gallagher refused to comment.

As a Bi-County director, Suffolk County's commissioner of economic development, Joseph Giacalone, voted to approve a \$304,000 loan to a company for land and a new building without disclosing that he was a partner in the firm selling the company the land. Giacalone at first called his action "an error on my part" but later denied any conflict.

Local SBA officials overruled one of their own loan officers and loaned \$500,000 to a financially troubled company after getting a phone call from Peter Neglia, then regional SBA director. Neglia has acknowledged that he made the call at the request of former Suffolk GOP Leader Robert Curcio, Sr., who was a consultant to the company seeking the loan. *Newsday* has traced \$28,000 in checks from the company to Curcio—never

disclosed to the SBA as required by law. Neglia has since been promoted to acting SBA chief of staff in Washington. The loan went bad after five months.

The questioned SBA lending practices found by *Newsday* create extra costs for the taxpayers beyond just the dollar amount of the bad loans. When the government subsidizes a business that fails, there is a ripple effect: unpaid bills to other businesses, unpaid state and local taxes, unpaid utility and workers compensation bills, unemployment insurance for workers who lost jobs. Ultimately, the public absorbs all those costs.

And the ethical questions in both the SBA and JDA programs pose the danger of another kind of loss to the public—failure of these loan programs to reach their full economic potential. That these loans have brought increased employment and prosperity to Long Island is unquestioned. But critics ask whether there would be even more jobs and greater prosperity on the Island if more government loans went to companies with the best potential for creating employment and fewer went to firms with the best private connections to lending officials.

THE ISLAND'S LOAN MASTER

Steven D. Gurian has spent most of his adult life mastering the intricacies of the federal Small Business Administration, and the morning of June 25, 1984, marked a proud point in his multifaceted career.

At a banquet room in the Smithtown Sheraton, several dozen politicians, bankers, brokers and SBA officials gathered over a breakfast of scrambled eggs, sausage and Danish pastries for ceremonies honoring Gurian as an important force in Long Island's economic development.

At a dais decorated with a large banner that read "Long Island Development Corp.," officials from state, county and federal agencies praised Gurian, who heads the LIDC, for his government expertise, his business acumen, his hard work. The SBA's then-regional director, Peter Neglia, gave him a large plaque.

The plaque was an award to the LIDC for becoming the most active development corporation of its kind in the country, processing more than \$15 million in SBA loans during the previous year. Although little known to the general public, SBA-certified development corporations such as Gurian's play an influential role in today's world of industrial finance.

Gurian has his board of directors—a group of public officials, bankers, brokers and lawyers—review and vote on millions of dollars a year in loan applications from companies seeking financing from the SBA and its counterpart in state government, the Job Development Authority. Both Nassau and Suffolk counties give the LIDC financial support.

LIDC is one of a network of quasi-public development firms and agencies on Long Island and elsewhere that have resulted from governmental decisions to farm out the processing of small business loan applications. The SBA and JDA have the final word on these applications, but they generally follow the recommendations of the LIDC and similar agencies.

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

Since Gurian is the LIDC's full-time executive director, he said his own recommendation usually determines how the board votes. "I have a pretty big input on the way the board reacts primarily because I'm preparing the piece of paper that we see," Gurian said. "They only see what I give them to see."

The Newsday investigation found that Gurian has used his position with the LIDC and two other local development agencies for his own financial gain. He has done this in several ways, including acting as a paid financial consultant to loan applicants, engaging in private business deals with other borrowers, and steering at least two others to a finance company that he headed.

Gurian maintains he has done nothing wrong. And regulations covering such activity are fuzzy or nonexistent. But Gurian's industry peers and senior officials from the county, SBA and JDA contacted by Newsday say he has acted improperly. "If you check the industry, you'll find it's not a standard practice," said SBA official Wayne Foren. "It's one of those things you just don't expect people to do."

Gurian runs a private consulting business, Gurian Consultants Inc., that operates from a small one-room office at 300 Old Country Rd., Mineola. There is no sign on the door and no phone listing.

In a series of interviews, Gurian acknowledged that he has had consulting deals, undisclosed ownership interests or other business ties with at least seven companies. Those companies got government loans totaling \$5,716,000 with his help. He said he has worked as a private consultant to six of the companies and holds an option for a 10 percent share of the seventh.

He also has been a paid financial adviser to one of those companies, Gurney's Inn, while helping the luxurious Montauk resort get government loans through one of his local development corporations. Gurney's president, Gurian said, also has given him time-share apartment units at the resort for four weeks each year.

Two more of Gurian's business deals with SBA borrowers involve a Mexican auto parts company in which he owns stock. Until a few years ago, he said, he served as that company's U.S. purchasing agent, collecting a percentage of sales. Gurian said he obtained sales contracts for the Mexican company from two companies that got SBA loans through another development corporation that he controls, the Long Island Economic Development Corp. (LIEDC). "It was a sizeable amount of business, and it was very, very profitable," Gurian said.

A car dealer who got a \$500,000 SBA loan through Gurian said Gurian solicited him, while discussing a possible second loan, to buy parts from the Mexican company. "He insinuated that if I did some business with him, there would be no problem with the loan," said Walter Donor, proprietor of the now-defunct Rumprik Chevrolet in East Islip, who was recently indicted on tax evasion charges. "There was a conversation about how we could make a lot of money on overseas parts, but it never materialized."

Gurian said he always discloses to the government agencies and his board when he has a financial involvement with a loan applicant. "It's a full disclosure," he said. LIDC minutes show that he did disclose at least two consulting relationships and abstained from the votes. And since Gurian said he couldn't find most of the records for two of his other local development corporations, it was impossible to determine whether

he had made similar disclosures to those boards.

But local government, SBA and JDA officials said that Gurian had never advised them of the extent to which he was involved with loan recipients. They said that they considered his activities improper and that he should have disclosed them.

"It is something that flies in the face of what we're trying to do, which is to get full disclosure of any kind of interest by any of the parties," said Robert Dormer, president of JDA. Foren of the SBA said: "That's something we would not permit, and I would have to look into it." Roy Cacciatore, Nassau County's commissioner of commerce and industry, who sits on the LIDC board, commented: "Gurian can be replaced."

Top officials of four of the nation's largest development corporations said they considered side deals with loan recipients wrong. Their attitude was voiced by Marshall Lustig, executive director of the New York Business Development Corporation, who said: "If we had a director taking part in such an activity we would ask that person to cease and desist from that role or to resign from the board."

Gurian founded his first SBS-certified development corporation, the Long Island Economic Development Corp., in 1969. The LIEDC started as a shoestring operation, Gurian said, "something I ran from my briefcase," and grew to be one of the state's most active development corporations.

In 1980, Congress created another SBA program to help expanding businesses buy land and buildings. To participate, communities had to form development corporations. Nassau and Suffolk counties created the LIDC, choosing Gurian as executive director. Gurian said he was the logical choice because of his SBA expertise.

The counties contributed \$30,000 in start-up money, and each assigned one of its economic development officials to the LIDC staff. LIDC stationery carries the official seal of both counties and lists their economic development departments as branch offices of LIDC. And in 1983 the state JDA designated the LIDC as a JDA "branch bank," accepting loan applications directly from the LIDC without independent staff review.

The creation of LIDC has put Gurian into an unusual position. He performs in an official capacity for four different government entities: Nassau County, Suffolk County, the JDA and the SBA. But since he draws a salary from none of them, he is technically not a government employee. He said that he recently began drawing a salary of \$286 a week from LIDC but added that he is independently well-off.

CONSULTING DEALS

Two companies that Gurian said were his consulting clients got loans after a 1982 SBA regulation prohibiting management consulting relationships. They were Allied Bakers Co. Inc. of Westbury and Aluminum Louvre Corp. of Old Bethpage. Although Gurian abstained from LIDC votes on both companies, documents examined by Newsday show that he had a personal role in both loan applications.

Officials of these companies and other firms that used Gurian as a consultant refused to say how much they paid him, and Gurian also has declined to disclose his fees.

Records show that Gurian made the required field visit to Allied Bakers before the LIDC approved a \$230,000 SBA loan last year. Gurian wrote a report concluding: "results of interview: positive." He also wrote

to Long Island Trust Co. about its share of the financing package, saying "we should be able to complete an irrevocable commitment within 45 days . . ." At that point the LIDC board had not voted on the loan.

That was Allied Bakers' third SBA loan—two through Gurian development corporations—bringing the total to \$1,130,000. Gurian said he has been a consultant to Allied since the early 1970's. Allied's president, Nelson Wolther, praised Gurian's assistance to his company and said there was nothing improper in his role.

Last year, Aluminum Louvre got a \$255,000 SBA loan and a \$220,000 JDA loan through LIDC to buy the Old Bethpage building it had been renting. Gurian abstained on the vote, but the JDA's file includes a letter to Gurian at LIDC from Melvin Greenberg, a partner in the company. "Thank you for all your efforts on behalf of Aluminum Louvre Corporation relative to the SBA and JDA loans," Greenberg said. Greenberg has denied paying Gurian as a consultant.

Four other companies that Gurian said he represented as a consultant got loans through his earlier development corporations, the LIEDC or a sister corporation, the Second Long Island Development Corp. He identified the companies as Gurney's Inn of Montauk, Ajac Transmission Parts Inc. of Elmont, Waltron Automotive Products Inc. of Port Jefferson and Allison Audio Products Inc. of Hauppauge. But he told reporters that nearly all records of LIEDC and Second LIEDC loans had been lost.

Gurian said he was "on retainer with Ajac for seven, eight years, maybe more." Gurian holds an insurance license and said he also sold a pension plan to the company's owner, Jerry Jacoby. Ajac got five SBA loans totaling \$948,000. Gurian said he negotiated a sales contract between Ajac and the Mexican company, Servicio GM Afinaciones Frenos Y Servicio S.A., that employed him as its purchasing agent. "I would get a percentage from the total purchase," Gurian said. Ajac's president, Jerry Jacoby, said Gurian's consulting "had nothing to do with the loans."

Another consulting client that made a sales deal with Gurian's Mexican company was Waltron, which got a \$40,000 SBA loan through LIEDC in 1969. One principal, Reinhold Stoll, said Gurian became a consultant as soon as the company was formed. "He was on the staff, more or less," Stoll said. Gurian conceded that he sold insurance to Waltron, helped one of its principals get his house removed as collateral on the loan and entered into a consulting agreement to go to Mexico for Waltron to look into an investment there.

Gurian said he also approached another borrower, Barad Auto Industries Corp. of Hauppauge, which got a \$388,000 SBA loan through LIEDC in 1980, about buying parts from the Mexican company. "We tried, but they already had a source of supply from Texas for the same product," Gurian said.

Still another Gurian tie with an SBA borrower involves MGW Manufacturing Corp. of Bohemia, which makes transmission parts. When the company was formed in 1975, Gurian said, one investor wanted to keep his identity confidential. Gurian said the investor hired him to set up a blind trust through which the investor loaned money to MGW. As part of the deal, Gurian said he got an option on 10 percent of MGW's stock and still holds the option.

In 1977, MGW got two SBA loans totaling \$460,000. Gurian said he gave the company

some advice on how to get the loans but did not feel he should have been disclosed to the SBA as a consultant. "Since I have knowledge, I told them how to proceed, and they proceeded completely on their own."

Another Gurian consulting client, Allison Audio Products, got a \$63,000 SBA loan through the LIEDC in 1973. The company's founder, Louis Ligator, said Gurian also helped him get a \$193,000 JDA loan the same year to acquire a building in Hauppauge. Ligator said Gurian's consulting work was not related to the government loans. "I asked him about other businesses that I was involved in," Ligator said. "Steve Gurian in his position has done a lot for the Island in my personal opinion. He's a hard-working man and has helped a lot of businesses."

GURNEY'S INN

During the mid-1970's, when rising gasoline prices were threatening East End tourism, Gurian and his Second Long Island Development Corp. won favorable publicity for arranging a financing package to expand Gurney's Inn in Montauk. The oceanfront resort is one of the largest employers in the East End, an area troubled by unemployment and a seasonal economy.

The initial package was \$984,000 in SBA loans and \$615,000 loan from another federal agency, the Economic Development Administration. Gurney's proprietor, Nick Monte, said of Gurian and the development corporation: "They helped put all this together, and they have been very, very helpful. I think he's been a boon to eastern Long Island and all of Long Island."

What was not disclosed, either to the public or to the lending agencies, was that Gurian has been a paid financial consultant to Gurney's—by his own account—for the past 15 years. "I was their chief financial adviser," Gurian said. "I got them all their financing."

The EDA, like the SBA, requires borrowers to disclose on their loan applications anyone who provided services in getting the loan and the fees paid. By 1978, Gurney's needed more financing, and the EDA agreed to guarantee another \$600,000 loan. The resort also received another SBA loan for \$106,000 in 1978. By then, Gurian was not only Gurney's financial consultant, but also a director and stockholder.

The application, however, did not list Gurian's connections with the company. Instead, Gurian's name appeared in a different role. He signed the form giving the required local endorsement of the project as the president of the LIEDC. Each EDA loan application must carry the favorable recommendation of a local economic development official.

Gurian said much of his work for Gurney's was done free of charge. "I think if you took the sum total of all remunerations from Nick for the past 15 years, I doubt if it's three or four thousand dollars," Gurian said. He added, however, that in 1982 he was given four one-week time-share units in a new section of the inn. His shares are valued at \$31,000.

Monte said Gurian paid for the units, and Suffolk real estate records list Gurian among the debtors to the bank that financed the time payments for the units. But Gurian said the units were a gift to him from Monte. He added: "I did an awful lot for Nick Monte personally. . . . I was at his side constantly, with attorneys, with accountants, real estate. I would say that he would say that he has a debt that can't be repaid. So when the units came up, he

bought a number of them, I know, and he acquired it for family members and I'm just family."

Gurian said that Monte recently began paying him \$500 a month to try to arrange a complete refinancing of the business, which he said "has a very serious problem on the financing." Although most of the SBA loans are still pending (the SBA would not release the balances), Gurian said this work will not involve dealings with the SBA but only with private financial institutions.

THE MONEY STORE

Gurian has worn another financial hat seemingly as interchangeable as those he wears as proprietor of Gurian Consultants Inc. and executive director of LIDC and LIEDC. When he was named to the LIDC post, Gurian remained in his private job as president of the Money Store of New York, a branch of the New Jersey-based finance company best known for its Phil Rizzuto television commercials.

The Money Store has become the nation's largest lender in the SBA's guaranteed-loans program, and the subsidiary that Gurian headed handles that loan business in New York. The LIDC's offices are in the Money Store's building at 265 Glen Cove Rd., Carle Place.

Joseph Giacalone, Suffolk's Commissioner of Economic Development and a member of the LIDC board, said that at the inception of LIDC he and other board members were worried about Gurian's dual role with the agency and the Money Store of New York. As a certified SBA lender, the Money Store issues loans that are 90 percent guaranteed by the SBA. Since both counties refer prospective borrowers to Gurian at the LIDC, Giacalone said there was concern it would appear that the counties were steering business to the Money Store if prospective borrowers wound up getting their loans there instead of through LIDC. He said Gurian assured him that this would not happen.

Gurian told Newsday, however, that he did refer some borrowers from LIDC to the Money Store, but only because he felt their business needs would be better served there. SBA loans from LIDC are restricted mainly to real estate and construction, while the Money Store operates under an SBA program that allows working capital loans.

"I don't believe that there were more than two instances in the past four years—if it was three it would have been a lot—where people came to the development corporation and they were not eligible and I recommended and they chose to go to the Money Store," he said.

A few days after Newsday first interviewed Gurian last June about his business activities, he retired as president of the Money Store of New York and said he had become a consultant to the parent company. He first explained that he was retiring because his Money Store position "could be an embarrassment" and "could be an apparent conflict of interest" that "might look bad for the LIDC." Later, however, he said the retirement was solely because the two jobs put too much demand on his time.

Walter Leavitt, head of the SBA's Long Island office in Melville, said whenever Gurian called or visited his office to discuss loans, he assumed Gurian was acting as head of the LIDC or the Money Store. He said that Gurian never told him about his private deals the SBA borrowers. "He should have given some indication," said Leavitt. The SBA requires loan applicants to disclose the names and fees of consultants and those who helped prepare the ap-

plication. Leavitt and Gurian is not listed as a consultant on any loan applications he has handled.

Gurian has given conflicting answers on whether his private consulting business includes the obtaining of SBA loans. At one point he said he consults companies only on matters unrelated to government loans. But, on another occasion, he said: "Generally my answer is, please, I know you, I know what the problem is, get your attorney, have a sit-down session and I'll tell you how to do it and if you want or if I want you'll compensate me for the hour or the day or whatever it is, but I'm not going to get involved. Because it really represents a conflict of interest. Not just an apparent."

He also maintains that ethical questions are less important than successful deals to help Long Island's economy. "We're all grown up persons," Gurian said. "We all know if things were done according to the letter of the law, a lot of mercantile activity would come to a halt. There has to be some bending."

Next: The Mob Connection. ●

TAX BURDEN IS UNFAIR

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. OWENS. Mr. Speaker, April 15 has come and gone. It is a date approached with a certain dread by most Americans. Records are gathered, figures added and heads shake in disbelief when the final tally emerges. For all of the talk of tax reductions, the average person is confronted with the reality that he or she must pay and pay. This scenario and its causes was aptly stated by Judy Mann in her column in the Washington Post on April 5, 1985. It is set forth below for information.

TAX BURDEN IS UNFAIR

For the past week, my kitchen table has been covered with checks, receipts, bank and insurance statements, bills and various other testaments to the income and outgo that occurred in my house last year. The purpose of this exercise is, of course, none other than my annual attempt to at least break even with the Internal Revenue Service so I don't have to offer one or more of my children as partial payment of back taxes.

My problems, along with those of most middle-income Americans, would be significantly reduced by investments in tax shelters. But, unfortunately, the cash flow last year was largely consumed by such things as food, shelter, college education and child care, so there wasn't any money left over for exotic schemes or tax experts who could tell me how to shelter my income legally.

It is always dicey to compare individuals and corporations in economic matters, but a little less so in matters of spirit, and the comparison hit home last weekend when I read a story in the paper about the tax burden on a number of corporations. This was not the first time I'd seen the figures—the report from the Citizens for Tax Justice has been sitting on my desk since it came out in October—but at the time it seemed merely annoying. April, however, invites in-

vidious comparisons, and the contents of the report now seem simply outrageous.

"Why is it that the federal government is racking up record-breaking budget deficits while most Americans believe—and rightly so—that they are paying more in taxes than ever?" asks the report. "... One answer can be found in the demise of the corporate income tax. Once, back in the 1950s and 1960s, the corporate income tax supplied one-fourth of all federal government revenues. By 1983, that figure had dropped to 6.2 percent.

"The decline of the corporate tax began with the adoption of the investment tax credit in the 1960s and continued into the '70s as Congress adopted one new loophole after another in response to corporate lobbyists.

"However, the largest single blow to the corporate tax came in 1981 with passage of the Reagan tax bill. That bill created a new system of super-accelerated write-offs for business investments in plant and equipment, the Accelerated Cost Recovery System [ACRS], which opened up massive new possibilities for legalized corporate tax avoidance, even after the reforms adopted in 1982 scaling back some of its benefits."

Citizens for Tax Justice studied 250 companies between 1981 and 1983 and found that 128 paid no federal taxes in at least one of those three tax years while they earned profits of \$56.7 billion.

This folks, is knowing how to beat the system.

There's more: 17 of the companies paid nothing in taxes all three years. Instead, they received rebates of taxes paid in previous years or sold "excess" tax benefits, so that they actually received \$1.2 billion while earning \$14.9 billion in profits. The biggest winner, according to the CTJ study, was General Electric, which earned \$6.5 billion in pretax profits during those years and claimed \$283 million in tax refunds from previous years. Other big winners included top defense contractors such as Boeing, General Dynamics, Lockheed and Grumman, all of which made hundreds of millions in profits and either paid no taxes or received hundreds of millions in refunds or benefits. Another 48 corporations paid nothing in two of the three years and got rebates and benefits totaling \$2.9 billion on profits of \$19.5 billion.

The CTJ study further found that 130 companies paid a smaller margin of their profits in taxes than the average American family: 0.3 percent, versus 12 percent.

A recent Washington Post-ABC poll showed that 72 percent of the respondents think the present tax system benefits the rich and is unfair to ordinary working people, and 52 percent said they thought most people who have the chance cheat somewhat on their taxes. At the same time, however, 72 percent of the respondents showed disapproval of people underpaying their taxes.

That tax-paying ethic has been the backbone of a fair and successful tax system, but it risks swift erosion if the system continues to tax at such inequitable rates corporations, the wealthy who can afford tax shelters and the poor and middle-class who cannot. The spirit of doing your fair share cannot survive, let alone flourish, under a system that billed the average taxpayer \$3,536 in 1983 while dozens of corporations making billions in profits paid nothing. You don't have to be a tax expert to know that what's legal ain't necessarily right. ●

SCHOOL LUNCHESES RATE HIGH IN NATION'S PRIORITIES

HON. GERRY SIKORSKI

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. SIKORSKI. Mr. Speaker, the School Lunch Program was developed in 1946 as a universal program that would increase the nutritional standards of any child, regardless of income, anywhere in the country. The administration's proposed cuts in this program run counter to the whole philosophy upon which it was founded. At the very least, it is a dangerous step backward to a time when far too many of our Nation's youth were undernourished and had no place to go for a good, hot meal.

One of my district's newspapers, the Excelsior/Shorewood Sailor, recently ran an editorial on the importance of the School Lunch Program that I would like to share with my colleagues.

[From the Excelsior/Shorewood Sailor, Apr. 8, 1985]

SCHOOL LUNCHESES RATE HIGH IN NATION'S PRIORITIES

Parents of children in school should be concerned over President Reagan's proposed cuts in the school lunch program. If federal subsidies for lunches for non-needy students are eliminated and subsidies for needy students are frozen, the school lunch program in suburban schools could starve to death.

Research shows students learn better when their stomachs are full. A school lunch program provides nutritious meals at affordable prices, thanks to the federal subsidies and commodities, which contribute 12 cents in cash and 12 cents in commodities per lunch. The program also introduces students to the salads, vegetables and fruits they should eat.

Reagan proposes the government subsidize free and reduced-price lunches for the needy only. He argues that families with incomes of \$33,000 can afford to pay the full price of the meal. The policy issue is paying a subsidy for the non-needy whose lunch price could go up from \$1 to \$1.75, or even \$2. At those increased prices, many parents of the non-needy would drop out of the program. With fewer customers, the lunch program would starve. Vending machines would be installed, and students would lunch on chips, nuts, cookies and diet pop.

The result would be a less nutritious lunch for the non-needy and no program for the needy, since school boards would be reluctant to subsidize the school lunch program.

President Reagan should be commended for trying to cut the budget and reduce the deficit. He'd be wiser to eliminate a missile and save a valuable program which is educationally and nutritionally sound. ●

AMEND BUILDINGS ACT OF 1959

HON. E. CLAY SHAW, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. SHAW. Mr. Speaker, this morning I am introducing legislation which would amend the Public Buildings Act of 1959 by giving statutory standing to the Public Buildings Service within the General Services Administration and elevating the position of Commissioner of the Public Building Service by requiring Presidential nomination and Senate confirmation of the person who holds this position.

The Public Buildings Service is the organizational unit within the General Services Administration which constructs, leases, renovates, maintains, and operates office and other space for more than 1 million Federal employees.

With a staff of more than 14,000 employees and an annual operating budget in excess of \$2 billion, the PBS Commissioner heads the largest component within the General Services Administration and is responsible for a space inventory of 227 million square feet located in more than 7,000 buildings across the country.

The Public Buildings Service has been a component of GSA almost since the inception of GSA in 1949 but PBS has never been recognized statutorily.

The Public Building Service now, as in the past, is headed by a Commissioner who is appointed by the Administrator of GSA.

Currently, only the Administrator is subject to the nomination and confirmation process.

I firmly believe, that because of the size and responsibilities assigned by PBS, the Commissioner should be subject to the selection procedure which is widely used in other departments and agencies for positions of equivalent importance and responsibility.

By requiring the Commissioner to be subject to appointment by the President and confirmation by the other body would add to the Commissioner's stature and authority within the agency as they handle the duties of public office and should help to attract a high caliber of talent commensurate with the importance of this position.

It is important to note that the administration has gone on record supporting legislation in the previous Congress which contains a provision identical to what is being proposed in this bill.

Mr. Speaker, this legislation also amends Public Law 98-1 extending the time period during which private donations may be collected and utilized to erect an appropriate memorial to

Nancy Hanks at the Old Post Office Building located here in Washington.

Public Law 98-1 established the Nancy Hanks Center at the Old Post Office and provided for the erection of a suitable memorial commemorating the accomplishments of Nancy Hanks, who served with great distinction as the Chairman of the National Endowment for the Arts from 1969-77.

Public Law 98-1 authorized the Administrator of GSA to expend, in addition to specified public funds, monetary contributions received from private individuals and organizations for the design and construction of the memorial.

This legislation merely extends the time period in which private contributions may be accepted and utilized.

Finally, Mr. Speaker, the legislation I am introducing amends Public Law 98-492, which names the Federal building located in Pendleton, OR, as the "John F. Kilkenny United States Post Office and Courthouse," by correcting the spelling of the street on which the building is located.●

UNFAIR BURDEN ON MIDDLE-INCOME TAXPAYER

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. COELHO. Mr. Speaker, as we wrestle with the complex issue of tax reform, I would like to bring to the attention of my colleagues a recent radio address by Congresswoman OAKAR.

She very eloquently describes the unfair tax burden placed on the middle-income taxpayer as large corporations reap the benefits of this administration's 1981 tax bill.

As Congresswoman OAKAR states, tax reform should not be a partisan issue that encourages inequities. But as the law now stands, taxes paid by middle-income families shoulder 50 percent of Federal spending, while corporate taxes cover only 8.8 percent of our total spending.

In anticipation of the upcoming debate on tax reform, I urge all my colleagues to read her radio address which I insert for the RECORD.

Hello. This is Congresswoman Mary Rose Oakar. I am from Cleveland, Ohio, and am secretary of the House Democratic caucus.

By midnight Monday, 96 million of you will have mailed off your Federal income tax returns. Like me, many of you will have spent your last few weekends sorting through check stubs and receipts, figuring out just how much you owe Uncle Sam.

You don't like the tax bite you feel. You have your home mortgage payments and your children's college tuition. But you pay your taxes anyway. You do that because you recognize your obligation to maintain a strong Nation and a free society.

However, many of America's richest corporations don't accept that obligation. On

April 15th, some won't be paying any taxes. And others will be getting back hundreds of millions of dollars.

These corporations will be getting multi-million dollar refunds because of an unfair tax system, a system that encourages legalized corporate tax avoidance.

While the middle class bears a heavy tax burden, many well-known companies avoid their responsibility. This is a scandal when the Reagan administration is mortgaging your future by running up deficits of over \$200 billion annually.

Just how did this unfair situation come to pass? Because of the President's 1981 tax bill with his huge giveaways to business and the very rich.

As a result of the President's tax bill, the share that America's corporations contribute in Federal revenues has fallen to the lowest level in memory. Last year, corporate income taxes paid only 8.8 percent of Federal spending. That's a huge drop from 1960 when the corporate share was 26.3 percent.

Over the same period, the share that you, the middle class taxpayer, contributed remained about 50 percent.

I want to take a moment to examine what this means for our large companies. A recent study documents what the country's major corporations didn't pay in taxes since 1981 when President Reagan's tax policies were adopted.

It shows that General Electric, Boeing and General Dynamics, 3 of the largest defense contractors, earned profits totalling \$9 billion between 1981 and 1983 yet didn't pay one penny in taxes. Instead, they received \$621 million in tax refunds. Mind you, this is money given by the Government to these companies instead of the other way round.

Let me mention one more example, W.R. Grace & Co. It didn't pay any taxes for 3 years on its \$684 million in profits. Yet it received \$12½ million from the U.S. taxpayer.

The case of W.R. Grace epitomizes the hypocrisy and unfairness of the Reagan tax policies. Peter Grace, the company's chairman, headed up the Grace Commission appointed by the President to weed out government waste. Somehow, Mr. Grace neglected to look at the billions of dollars in unfair tax breaks his and other wealthy companies received from the U.S. taxpayer. If this isn't waste, I don't know what is.

The examples I've just listed aren't isolated. I could go on and on and cite numerous others.

The bottom line is that those of you filing your 1040's have a much higher effective tax rate than most of the giant corporations.

The average effective tax rate for individuals in 1983 was 12 percent. At the same time, 129 companies with profits totalling \$45 billion paid an effective tax rate of just 4/10ths of one percent that year. Think of that—12 percent versus 4/10ths of one percent.

This is just plain unfair. Mr. President, the middle class is tired of picking up the tab while hundreds of corporations aren't paying any taxes at all.

Private enterprise and a fair tax system are essential for a growing, dynamic society. Tax freeloading must stop. The U.S. Tax Code must be reformed. Americans have opposed unfair taxes ever since a band of colonists dressed as Indians dumped the tea in Boston Harbor 200 years ago.

Today, the President says he wants to revise the Tax Code. However, let us remember that it was his 1981 tax bill that created the flagrant loopholes and tax

breaks for the corporations and the very rich.

Tax reform isn't a partisan issue. It's a matter of all of us meeting our obligation to contribute to the common good.

The democratic party is dedicated to a fair and simple tax code. And we're committed to achieving that goal?

As many of you get ready to mail your tax returns, let me ask you to think about the following: If corporations again paid taxes on money at the level they paid in the 1960's, the Federal Budget deficit would be cut in half. If that happened, we could expect interest rates to finally come down and the economy would grow without the distortions that now threaten our future. Most importantly, you could plan ahead with confidence.

Thank you.●

SPEECH BY THE HONORABLE DOUG BEREUTER IN HONOR OF NATIONAL ARBOR DAY CELEBRATION IN WASHINGTON, DC, APRIL 26, 1985

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. DAUB. Mr. Speaker, last month the Nation observed Arbor Day, a celebration that originated in my home State of Nebraska in 1874. An outgrowth of our Nation's earliest conservation movement, Arbor Day has a rich history that underscores the important traditions and spirit of this national observance. Our colleague, Congressman DOUG BEREUTER, spoke here in the Nation's Capital in honor of the National Arbor Day celebration. His remarks capture the spirit and the history of this annual event, and I am pleased to share them with you:

SPEECH BY THE HONORABLE DOUG BEREUTER IN HONOR OF NATIONAL ARBOR DAY CELEBRATION IN WASHINGTON, DC, APRIL 26, 1985

It is a very special honor for me to be here with you for this Arbor Day Celebration—special because this holiday represents our national commitment to conservation, and special because the tradition of Arbor Day originated in my home state of Nebraska. Last week once again I had the privilege of participating in Arbor Day observances in Nebraska City—a beautiful tree-filled town on the banks of the Missouri River. That observance was held at Arbor Lodge, the home of Arbor Day's founder, J. Sterling Morton, and now a beautiful historical state park.

Today, I want to talk about the spirit of Arbor Day, briefly of the American zeal for conservation in our nation, about this great Federal Mall, about Constitution Gardens, the Civilian Conservation Corps and J. Sterling Morton, whom at least every Nebraskan knows as the founder of Arbor Day. J. Sterling Morton had an illustrious career in Nebraska, but he also had a brief and very interesting career here in Washington.

Most of our nation's leaders in arboriculture, horticulture, and agriculture agree that the annual observance of Arbor Day is probably the grandfather event of this

country's conservation movements. And we can indeed be proud of our conservation efforts—of our great national parks, scenic trails, national seashores, and historic sites. We can be proud, as well, of our efforts to conserve water and soil—at the national and state level. Arbor Day is a fitting time for us to recommit ourselves to the preservation of these national resources.

Of course Americans have been active conservationists for well over one hundred years. For example, Arbor Day was first observed in the United States in Nebraska in 1872.

In 1874, Nebraska Governor Robert Furnas, by happy coincidence a prominent nursery man and fruit grower, issued the State's and the nation's first Arbor Day proclamation. Other states quickly picked up the idea, but Nebraskans showed a special zeal for planting trees. It is a matter of record that some 350 million trees and shrubs were set out by Nebraskans—in Nebraska—during the 12 years between April 10, 1872 (that first Arbor Day celebration) and April 10, 1884.

And certainly as we look at our surroundings here, we see that Washington is a city of government building and a city of monuments, but it is also a city of natural beauty and of trees.

Look at this great Federal Mall. During the thirty years between 1871 and 1901, the mile and one-half stretch of land between the Capitol and the Washington Monument changes gradually from a simple pasture to unevenly developed park land, intruded upon by a railroad and other commercial developments. In 1901, Senator James McMillan of Michigan presented to the Senate a report, based on the work of a special park commission, that recommended special planned development of the area between the Washington Monument and the Capitol Building. That McMillan Report became the basis for the present development of the Mall, and the area around the White House. The Lincoln Memorial and the Jefferson Memorial were not yet built, but plans for those areas were anticipated in the Report.

The McMillan Report included much specific instruction about trees, and the execution and extension of this unique plan has provided the people of the United States with a beautiful and useable "front yard"—a site for strollers, and runners, for picnics and for concerts and demonstrations.

The report described the formal procession of American elms, in two rows three hundred feet apart and a mile and a half long, to border the Mall. It decreed groves of elms on the terraces by the Washington Monument—to provide shady places for rest. And it described rows of lindens, shading the walks to the White House and leading to the Lincoln Memorial.

McMillan's themes were not forgotten as the area was developed. English and Japanese yews were planted to frame the Lincoln Memorial and English elms around its reflecting basin.

I remember seeing this site first in 1952 as a child—filled with a row of old Navy buildings. In its place, in 1976, at the time of the Bicentennial, these Constitution Gardens were dedicated. Forty-five acres of rolling meadows, woodlands and a 6-acre lake replaced those old "temporary" World War I Navy buildings. Almost immediately mallard ducks, swans, and geese inhabited the lake.

The atmosphere of Constitution Gardens has been special from the beginning. The chief architect tells a story about its construction:

"Constitution Gardens is the kind of park where everything was kept away from one edge of the lake during a spring when a relatively rare killdeer nested there and produced four eggs.

Construction workers and trucks kept away and workers waited to furnish the area until the bird had successfully hatched and flown off with her four fledglings."

We see in these areas of Washington our evidence of national commitment to planting trees and to preserving natural beauty. We see the presence of dedicated people like J. Sterling Morton.

J. Sterling Morton became a resident of Nebraska more than 13 years before Nebraska achieved statehood. Nebraska, at that time, was a part of that immense tract of largely unsettled and unoccupied territory extending from the Missouri River westward to the Rocky Mountains, known to the people of the east as the Great American Desert and historically designated as the frontier.

Its hills and valleys were unscarred by railroads, its streams unbridged, and its trails better known to the covered wagon and ox team than to other forms of transportation. It was a grassland. There were no trees, except around the few stream beds and on the banks of the Missouri River.

J. Sterling Morton came to Nebraska from Michigan at the age of 22. He was a journalist and a farmer. He was elected to Nebraska's Territorial assembly at the age of 23. When he was 26, he was appointed secretary of the Territory by President James Buchanan.

Later, in 1893, Morton was appointed Secretary of Agriculture by President Grover Cleveland.

J. Sterling Morton's chief interest was in conserving our natural resources. Early on he saw the need to protect our soil from erosion, and other causes, due in large measure to the lack of trees, and efficient water conservation and control.

In 1937, in April, at a ceremony in the Rotunda of the United States Capitol, a statue of J. Sterling Morton was unveiled. At that ceremony, in his introductory remarks, the Chairman of the Nebraska Memorial Commission, recalled the advice of J. Sterling Morton.

"The planting of a tree may seem an infinitesimal matter and even the life work of an individual tree planter may seem insignificant. But who can measure the benefits, not only for Nebraska, but for the entire nation, of the life and work of J. Sterling Morton as a tree planter."

What if Mr. Morton's advice and example had been followed more religiously, he asked. It is possible that the country would not then be suffering the immeasurable loss caused by the twin plagues of soil erosion and drought.

Fifty-two years ago the Congress sought to cope with the ravages of the depression era unemployment by enacting the Emergency Conservation Act of 1933 which established the Civilian Conservation Corps. A bold stroke in a time of despair, the CCC furnished employment and valued self-esteem for some 3 million unmarried males during the 9½ years of its existence. At the same time the Nation reaped invaluable natural benefits.

President Roosevelt signed Executive Order No. 6101 on April 5, 1933, officially establishing the CCC. Selection of men for the CCC camps began on April 7, 1933, with the first organized camp established 10 days later near Luray, Virginia. Appropriately, it

was named Camp Roosevelt. By June, an average of 8,500 men a day were selected and assigned to CCC camps around the nation.

The CCC program had two main objectives. The most important was to find useful conservation work for millions of unemployed young men. The other objective was to provide vocational skills, and later educational training, for the men through conservation work.

The CCC enrollees were paid \$30 a month, of which \$25 was sent directly to their families back home. In the Forest Service CCC camps, they were under the direction of professional foresters during the day and the Army at night. The enrollment, which was entirely voluntary, lasted six months, with the option of re-enrolling for another six months.

Many of the first CCC camps, were established in June 1933. Generally, the permanent camps were organized with around 200 men, with temporary work or "side" camps used during the summer months on specific work projects. As the CCC men were assigned forest-related conservation work, many of the CCC camps were established in the National Forests and adjacent Public Domain land, later to be combined into the Bureau of Land Management. As the CCC program grew, other federal, state, county, and even a few private forests had camps or projects.

In the heyday, the CCC camps, located throughout the 48 States and several territories numbered upward of 1,740, with almost 360,000 enrollees at work to protect and enhance the soil, trees, and streams of our Nation.

More than 4,000 fire observation towers were constructed as a result of the CCC program. Furthermore, Conservation Corps participants planted more than 3 billion trees and laid 85,000 miles of telephone lines. They constructed over 150,000 miles of trails and roads and built approximately 45,000 bridges and buildings.

Repeatedly in this country, when we have faced difficulties, we have turned back the pages of history to look at the experience of our forefathers as a source of inspiration and guidance. And we have looked back to the life and work of that young journalist who traveled to Nebraska from Michigan, who published, and practiced politics, and planted trees. He was a student of agriculture. His goal was to educate his fellow Nebraskans. And, in the long run, he educated his country.

And as we look around here, and in Nebraska, and all across this nation, we see our monument to the McMillan Commission, to J. Sterling Morton, and the American conservation ethic that Arbor Day commemorates.●

DAVID STERN ON PRESIDENT REAGAN'S VISIT TO BITBURG CEMETERY

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. FOWLER. Mr. Speaker, this past Sunday President Reagan visited the Bitburg Military Cemetery. A letter by David Stern, international president of United Synagogue Youth, not only eloquently expresses his feel-

ings when he recently visited sites where Nazi atrocities were carried out, but also convincingly explains why the President should not have gone to Bitburg Cemetery. Mr. Stern's letter to President Reagan is a valuable discussion of an important moral issue and I am therefore presenting it for your review.

The text of the article follows:

UNITED SYNAGOGUE YOUTH OF THE
UNITED SYNAGOGUE OF AMERICA,
New York, NY, April 23, 1985.

MR. RONALD REAGAN,
The White House,
Washington, DC.

DEAR MR. PRESIDENT: I am writing to you out of fear. The fear is that the world will forget what happened to over 10 million human beings during World War II.

This past Monday, I returned from a week long visit to Poland. I went as a representative of United Synagogue Youth along with representatives of other Jewish youth organizations throughout the world. We went to Auschwitz, Majdanek, Treblinka, and the Warsaw Ghetto. I would like to tell you a little of what I saw and felt and experienced.

When I was told that I would be going to Treblinka, the first thing that came to my mind was a picture that I had seen of the emaciated, dying people after the liberation of one of the camps. I expected to see huge barbed wire fences and horrible accommodations. I mentally prepared myself to see a place where over 350,000 of my people were killed. When I got there, nothing I had done to prepare myself was enough.

The first shock was the fact that there is nothing there. There is absolutely nothing left from the original camp. The only way I could tell at first glance that there had ever been a death camp in that spot was because of the monuments that the Polish government had erected. I began to wander around the camp. I watched the ground as I walked. All along the paths and all along the ground were little white pebbles. I asked our guide what they were. They were bones, he said. Human bones.

I stood by the monument at the center of the camp and began to think. I tried to conceive of what had happened in the place where I was standing. I glanced down. I saw something that looked as if it did not belong. I brushed away the small amount of dirt that covered the object and picked it up. I almost screamed. A child's tooth lay helplessly in my hand.

While standing over the sight of a mass human grave (one can still see the indentation in the ground where the humans were buried alive as well as dead), I began to understand just where I was. I was in a cemetery. Beneath my feet was not soil, but bones—one piled on top of another. Anywhere I looked, I could see pieces of human beings who were tortured and crushed and finally killed.

Now, in 1985, not a single building, or fence, or wall, or even the smallest reminder that the camp was there remains. Only a monument constructed in my lifetime remains.

It is so much easier to forget. It is so difficult to comprehend the scale of the tragedies that took place that it is easier to deny that they ever took place. They did take place. I saw with my own two eyes the crematorium of Auschwitz, the mass graves of Treblinka, and the pain and suffering of those who managed to survive. Even though

Auschwitz still stands (though part is in ruins), the people of Poland have already begun to forget. I saw houses and playgrounds within fifty feet of the barbed wire fences. The main German headquarters at Auschwitz is now a hotel with a restaurant next door. The Polish children ran through the camp as if it was just another historical landmark.

Mr. President, if you visit the Bitburg cemetery which contains the graves of forty-seven SS men, you will begin the road to forgetting the Holocaust. You, as the leader of the American society will lead this country toward a horrible fate. Those who forget history are doomed to repeat it. The United States of America stands for morality and decency. We are a symbol of freedom to the world. We cannot condone the actions of murderers and still remain moral. I ask you, Mr. President, on behalf of the 17,000 Jewish youth in my organization as well as on behalf of all who are moral and upright and good citizens of this country not to visit the graves of those who tried to exterminate an entire people from the face of this earth.

Sincerely,

DAVID STERN,
International President,
United Synagogue Youth. ●

THE TRUTH IN SAVINGS ACT,
H.R. 2282

HON. RICHARD H. LEHMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. LEHMAN of California. Mr. Speaker, on April 30 I introduced the Truth in Savings Act, H.R. 2282, with the bipartisan support of 77 Members of the House of Representatives. In the past week, 12 more Members have joined me as cosponsors of the act, bringing the total of cosponsors to 89 Members of the House.

These new cosponsors include Congresspersons MICHAEL BARNES, LINDY BOGGS, DOUGLAS BOSCO, ROY DYSON, CARROLL HUBBARD, WALTER JONES, MARILYN LLOYD, WILLIAM LEHMAN, ROBERT MATSUI, LAWRENCE SMITH, CHARLES STENHOLM, and SIDNEY YATES. I appreciate their support. Both Mr. LEHMAN of Florida and Mr. MATSUI had expressed their desire to be included as original cosponsors of the bill, but their names were omitted due to a clerical error. I apologize for any inconvenience this may have caused them.

Due to the large number of requests that my offices have received for copies of the Truth in Savings Act, I am inserting in the RECORD today a summary of the legislation, a section-by-section analysis of the bill, and the bill itself. This will make the bill's language easily available to everyone who is interested in the Truth in Savings Act.

The material follows:

[Bill Summary]

THE "TRUTH IN SAVINGS ACT"

The Truth in Savings Act will enact changes in the law to require financial institutions to provide consumers with the information that they need to make informed choices when choosing savings accounts.

The bill will clear up the confusion surrounding the yield paid to consumers on various savings accounts. The long list of uncontrolled variables involved with the calculation of these yields has resulted in upwards of 14 million different possible yields being calculated from the same state rate of interest on an account. The Truth in Savings Act will bring some sense to this clearly senseless process.

The Truth in Savings Act requires that advertisements for deposit instruments which state any rates of interest include statements of the simple interest rate, the compounded annual yield of the account, and the method by which interest on the account is compounded. In addition the bill requires depository institutions to maintain a schedule of all fees, charges and terms or conditions which apply to these accounts and impact the effective annual yield.

The Act requires the Federal Reserve Board to develop a uniform method of calculating annual percentage yields on accounts so that consumers can be confident that comparable savings instruments have comparable yields. This provision also requests the Federal Reserve Board to develop uniform terminology in an effort to remove the mystery and gobbledegook from deposit advertisements.

The Truth in Savings Act will not impose any new costs on the federal Treasury. Financial institutions would only incur the negligible cost of disclosing the fees and terms of their accounts, a task the great majority of responsible institutions already perform.

The Truth in Savings Act is supported by the Consumer Federation of America and the American Association of Retired Persons.

[Section-by-Section Analysis]

THE "TRUTH IN SAVINGS ACT"

Section 1. States short Title as the "Truth in Savings Act."

Section 2. States Congressional findings that economic stability, competition between depository institutions and the ability of consumers to make decisions with regard to savings instruments would be improved if there was uniform disclosure of the annual percentage yield payable on deposit accounts and of the terms and conditions on which interest is paid. Purpose to require clear and uniform disclosure of interest rates for meaningful comparison by consumers on savings instruments.

Section 3. Requires each advertisement, announcement or solicitation made by any depository institution regarding the rate of interest payable on any deposit to:

State the annual percentage yield and method of compounding of the account;

State the annual rate of simple interest and the period during which the rate is effective;

State the frequency with which interest is payable;

State all minimum balance requirements; Include a statement to the effect that fees and other terms of account may substantially affect the account's actual yield;

Give equal prominence to all annual percentage yields and rates of simple interest;

Exclude references to the annual percentage yields payable on accounts with a maturity of less than one year, unless the advertisement includes a statement to the effect that a depositor's actual yield will be less, based on the length of time money is in the account.

Section 4. Requires each depository institution to maintain a schedule of all fees, charges, and terms and conditions of accounts routinely offered by the institution. Lists those items to be included in this schedule. Provides that this schedule be made available to prospective depositors or any other individual, and that the schedule be mailed to depositors within 60 days after the effective date of regulations under this Act, and again not less than 30 days before the effective date of changes in the previous schedule.

Section 5. Directs Federal Reserve Board to prescribe regulations to carry out the provisions and to prevent the circumvention of the Act. Provides that all annual percentage yields be based on a 365-day period. Provides that the Board prescribe uniform terminology to be used by depository institutions in advertisements. Provides that the Board prescribe a uniform method of calculating annual percentage yields and interest rates, in consultation with the Congress, the Consumer Advisory Council, and depository institutions.

Section 6. Provides for enforcement of the Act by the primary regulator of the respective depository institutions.

Section 7. Defines the terms "Board", "check" and "depository institution" for purposes of the Act.

H.R. 2282

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 "Truth in Savings Act".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—The Congress hereby finds that—

(1) economic stability would be enhanced, competition between depository institutions would be improved, and the ability of the consumer to make informed decisions regarding savings instruments would be strengthened if there was uniformity in the disclosure of the terms and conditions on which interest is paid on, and fees are assessed against, deposit accounts; and

(2) economic stability would be enhanced and consumers would be encouraged to increase their rate of savings by the development of a single, consistent formula for calculating the rate of interest and annual percentage yield paid on all deposit accounts at all depository institutions.

(b) PURPOSE.—It is the purpose of this Act to require the clear and uniform disclosure of the rates of interest which are payable on deposit accounts, and the fees that are assessable against such deposit accounts, by depository institutions, so that consumers can make a meaningful comparison between the competing claims of depository institutions regarding deposit accounts.

SEC. 3. DISCLOSURE OF INTEREST RATES AND TERMS OF ACCOUNTS.

(a) IN GENERAL.—Notwithstanding any other provision of law, each advertisement, announcement, or solicitation made by any depository institution regarding the rate of interest which is payable on any account shall—

(1) state the annual percentage yield and the method by which interest is compounded;

(2) state the annual rate of simple interest and the period during which such annual rate of simple interest is in effect;

(3) state the frequency with which interest is payable to the account holder;

(4) state all minimum balance requirements;

(5) give equal prominence to all annual percentage yields and annual rates of simple interest (including the periods during which such annual rates of simple interest will be in effect) contained in such advertisement, announcement, or solicitation;

(6) include the following statement: "Early withdrawal penalties, transaction fees, returned check fees, and other terms of this account could substantially affect the actual yield you receive from this account. A schedule of these fees and penalties is available upon request from (insert the name of the depository institution)."; and

(7) in the case of certificates of deposit and other accounts with a stated maturity of less than one year, either—

(A) exclude the annual percentage yield on the account; or

(B) include the following statement: "The yield on this account is based upon compounding of the account at the stated interest rate for an entire year. The actual yield will be less, based on the length of time your money is in the account.".

(b) DISCLOSURE OF ANNUAL PERCENTAGE YIELD.—Except as provided in subsection (a)(7), the annual percentage yield shall be stated before the annual rate of simple interest in any advertisement, announcement, or solicitation subject to subsection (a).

(c) REQUESTS FOR INFORMATION.—In any case in which a person requests information on any account which is offered by a deposit institution and on which interest is paid, the depository institution involved shall give such person a written summary of the information required for such account under subsection (a).

SEC. 4. TERMS AND CONDITIONS OF ACCOUNTS.

(a) IN GENERAL.—Each depository institution shall maintain a written schedule of all fees, charges, and terms and conditions which apply to each type of account and service routinely offered by such depository institution. Such schedule shall include, but is not limited to, the following information:

(1)(A) Any minimum balance required to be maintained in order to avoid fees or charges.

(B) The method for determining such minimum balance.

(C) A clear example of how such minimum balance is calculated.

(2) Any monthly maintenance or other periodic charge for an account.

(3) Any charge per transaction.

(4) Any charge for a check which is drawn on an account and which is dishonored upon presentment.

(5) Any charge for a check which is deposited in an account and which is dishonored upon presentment.

(6) Any charge for a stop payment order.

(7) Any charge for an inquiry regarding the balance on an account.

(8) Any charge for the early closure of or withdrawal from, an account.

(9) Any charge for an inactive account.

(b) DISTRIBUTION OF SCHEDULES.—The schedule described in subsection (a)—

(1) shall be included in the first regularly scheduled mailing to the account holders of

each depository institution which occurs not more than 60 days after the effective date of the initial regulations prescribed by the Board under this Act;

(2) shall be mailed to the account holders of such depository institution not less than 30 days before the effective date of any change in such schedule. Such mailing shall include the new schedule and a description of all changes in the previous schedule;

(3) shall be given to each potential customer before an account is opened or a service is rendered; and

(4) shall be given upon request to any individual.

SEC. 5. REGULATIONS.

(a) IN GENERAL.—

(1) Not later than 1 year after the date of the enactment of this Act, the Board shall prescribe regulations—

(A) to carry out the provisions of this Act;

(B) to prevent the circumvention or evasion of such provisions; and

(C) to facilitate compliance with such provisions.

(2) Such regulations shall provide that all annual percentage yields are based on a 365-day period.

(b) ADDITIONAL REQUIREMENTS.—In prescribing such regulations, the Board shall, to the extent necessary and appropriate—

(1) prescribe uniform terminology which shall be used by depository institutions in each advertisement, announcement, or solicitation to describe interest rates and other terms which significantly affect the earnings on an account.

(2) prescribe uniform methods of calculating annual rates of simple interest and annual percentage yields required to be disclosed under this Act, taking into account, where the Board deems it to be appropriate, differences among kinds of classes of savings accounts, including, but not limited to—

(A) time and demand accounts;

(B) accounts of different maturities; and

(C) single rate, split rate, and variable rate accounts; and

(3) consult with both Houses of the Congress, the Consumer Advisory Council, and representatives of depository institutions.

SEC. 6. ADMINISTRATIVE ENFORCEMENT.

(a) IN GENERAL.—Compliance with the requirements imposed under this Act shall be enforced under—

(1) section 8 of the Federal Deposit Insurance Act—

(A) by the Comptroller of the Currency with respect to national banks;

(B) by the Board of Governors of the Federal Reserve System with respect to member banks of the Federal Reserve System (other than national banks); and

(C) by the Board of Directors of the Federal Deposit Insurance Corporation with respect to any depository institution described in clause (i), (ii), or (iii) of section 19(b)(1)(A) of the Federal Reserve Act (other than national banks and member banks of the Federal Reserve System);

(2) section 5(d) of the Home Owners' Loan Act of 1933, section 407 of the National Housing Act, and sections 8(i) and 17 of the Federal Home Loan Bank Act, by the Federal Home Loan Bank Board (acting directly or through the Federal Savings and Loan Insurance Corporation) with respect to any depository institution described in clause (v) or (vi) of section 19(b)(1)(A) of the Federal Reserve Act; and

(3) the Federal Credit Union Act, by the National Credit Union Administration Board with respect to any depository insti-

tution described in clause (iv) of section 19(b)(1)(A) of the Federal Reserve Act.

(b) **ADDITIONAL ENFORCEMENT POWERS.**—

(1) For purposes of the exercise by any agency referred to in subsection (a) of its powers under any Act referred to in such subsection, a violation of a requirement imposed under this Act shall be deemed to be a violation of a requirement imposed under that Act.

(2) In addition to its powers under any provision of law referred to in subsection (a), each agency referred to in such subsection may exercise, for purposes of enforcing compliance with any requirement imposed under this Act, any other authority conferred on it by law.

(c) **REGULATIONS.**—The authority of the Board to issue regulations under this Act does not impair the authority of any other agency designated in this section to make rules regarding its own procedures in enforcing compliance with the requirements imposed under this Act.

SEC. 7. DEFINITIONS.

For purposes of this Act—

(1) the term "Board" means the Board of Governors of the Federal Reserve System;

(2) the term "check" means any check, negotiable order of withdrawal, share draft, or other similar item used for purposes of making payments or transfers to third parties or others;

(3) the term "Consumer Advisory Council" means the Consumer Advisory Council established under section 703(b) of the Equal Credit Opportunity Act; and

(4) the term "depository institution" has the meaning given such term in section 19(b)(1)(A) of the Federal Reserve Act.●

SUBMINIMUM WAGE

HON. MAJOR R. OWENS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. OWENS. Mr. Speaker, on January 22 of this year, H.R. 567 was introduced. It is a bill to allow people under the age of 20 to be paid less than minimum wage. At first glance this may seem like a logical thing to do, but the issue needs to be carefully considered. The bill is being introduced because some people believe that employers should be allowed to hire inexperienced, young workers for less than the minimum wage given to adults. This plan offers an employer the opportunity of hiring more workers for the same amount of money. The employer can thereby increase the productivity of his business, and he can also give employment opportunities to more people than he was able to in the past.

Although the subminimum wage proposal does not seem to effect the national labor market, it can have significant negative effects on a specific population of Americans. The latest figures from the Bureau of Labor Statistics place unemployment for white Americans at 6.3 percent, and yet the black community suffered from 16.7 percent unemployment. This high unemployment becomes even more incredible when it is examined by age.

Among blacks, unemployment for adults was 15 percent, but in the 16- to 19-year-old age range the unemployment rate was an amazing 45.1 percent!

The black unemployment situation is different from white unemployment and it is impossible to formulate identical social policies for both groups. With the lower level of white unemployment, a subminimum wage would indeed help more young people find their first jobs. Unfortunately, the jobs that youths might be offered may have been held by black adults, who are experiencing a 15-percent unemployment rate. Although subminimum wage legislation attempts to avoid this pitfall, the economics are very simple. If employers are able to hire workers at a significantly lower wage, they will find a way to put those workers on their payroll.

Taking jobs from adults and giving those jobs to people under 20 for less than minimum wage is devious and dangerous. Solving youth unemployment must not involve raising adult unemployment. We must work to establish and maintain programs to eliminate youth unemployment and to help disadvantaged young people gain the skills necessary for participating in the working world. The subminimum wage is a serious threat to the jobs of millions of American workers and it must be stopped.●

**VFW VOICE OF DEMOCRACY
SCHOLARSHIP PROGRAM 1984/
85 KANSAS WINNER**

HON. PAT ROBERTS

OF KANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. ROBERTS. Mr. Speaker, it is a privilege for me to share with my colleagues the winning speech in this year's Voice of Democracy Scholarship Program in Kansas. This program, sponsored by the Veterans of Foreign Wars and its Ladies Auxiliary, gives students an outstanding opportunity to express their patriotism while competing for scholarships.

The following address entitled "My Pledge to America" was delivered by Mark G. Schmeller, Hays, KS:

MY PLEDGE TO AMERICA

To be born is something that is certainly not affected by one's choice. One has no control over where or when he will be born, or what his heritage and ancestry will be. But one can choose to be an American, and when one makes this choice, he takes upon his shoulders a challenge both great and noble. If there is one thing that I have learned in my short life span it is that being an American is the greatest challenge that can be bestowed upon us. I make that American pledge that: No challenge is too great, and no problem is too small.

History tells me that the challenge of carving a colony out of the wilderness and

enforcing the change of independence was indeed a great challenge. It was met and answered. What if one, or two, or ten, or a thousand Americans choose to do nothing? It might be possible that the Union Jack would be our flag instead of the stars and stripes. Yet those people pledged to themselves and others that the challenge must be met and answered.

The challenge of being an American was no small problem for those who blazed the Northwest Passage, soared at Kitty Hawk, shined at Menlow Park, or tackled the Halls of Montezuma. For those are challenges of the past and pledges of action and sacrifice.

I know not whether there lies within me a Jonas Salk or a Glen Cunningham, but I do know that in my future there lies a challenge. My responsibility as an American will be to meet it and settle it. Whether it's humanitarian, political, medical, or personal, the challenge cannot be so great that it cannot be overcome.

Nor can a problem be so small that a solution is not needed. If I do not will myself to resolve the problems that seem small and insignificant to me, how can I ever hope to conquer the great problems that may confront me and other Americans in the future? How can I tell if a problem that seem small today will never become a large-scale crisis? I cannot, so therefore, I must resolve myself to taking care of all problems, no matter how large or small they may be.

Edmund Burke once said, "that all that is needed for evil to win is for a few good men to do nothing". If I do not vote, if I do not ask questions of myself and others, if I don't challenge injustice, if I fail to become involved, then I was not born an American, I have not lived as an American, and I have not met my challenge and settled it as an American.

My chemistry teacher told me of a story of a college student who entered class late the day of a math test. After the allotted time was through the student asked the math Professor if he could take a few extra days to answer the two extra credit problems. Five days later the student told the Professor that he would have the first problem solved tomorrow. The next day the student arrived at the math office to deliver the thirty-four pages of equations and asked for an extension on the second problem. At 9:30 the next morning, there was a knock on the students door. There stood his math Professor. The Professor said that he just wanted to let him know that he was going to address a National Symposium. The student inquired as to what. The Professor replied "I'm reporting on your math problem. You see, when you came late for the test, you failed to hear me mention that the two extra credit problems were totally unsolvable. But since you didn't know that, you solved what no man in history has ever been able to solve".

I believe that we all are hindered only by what we don't know. If we do not believe that we can meet a challenge, then many problems can become unsolvable problems that exist only as figments of our imagination. My birth as an American was something I could not have not decided on. However, I have decided, with great pride, on my pledge that: No challenge is too great and no problem is too small to keep my American principles, goals, and ideals from being met.●

GIANVITTORIO PERNICIARO OF SAN PEDRO REMINDS US THAT APRIL 15 IS A TIME TO CELEBRATE

HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. ANDERSON. Mr. Speaker, for many Americans, April 15 has become a day of doom and gloom. This is, of course, the last day for us to file our Federal income tax returns without paying a penalty. And, as many of my colleagues can attest, it is at this time of the year when we receive a bit more mail from those who have problems with amendment XVI to our Constitution—Federal income tax—and the Tax Code in general.

Recently, however, I received a most refreshing letter from one of my constituents, Mr. GianVittorio Perniciaro, on the subject of taxation. You see, Mr. Perniciaro, celebrated his 10th anniversary as a citizen of the United States on April 15 this year, and holds a slightly different view on what it means to pay taxes than do some of his fellow Americans. I strongly urge my colleagues to read the following letter to the editor by Mr. Perniciaro, which was printed in the Long Beach Press Telegram on April 15, 1985.

A DAY TO CELEBRATE

Another April 15 is here. While citizens across the land rush on a last-ditch effort to file their taxes before the dreaded deadline, struggling to find ways of shrinking their income in a maze of forms and schedules, lamenting that they are overburdened by taxation, and blaming on the government every evil from crime to the high cost of living, I prepare to celebrate.

You see, today marks the 10th anniversary of my becoming a naturalized American. If I were to think I am overburdened by taxation, I would have no one to blame but myself for it was indeed my own determination which made me become an American. Nor could I blame my being here on anyone else if I were to fear that crime is taking over the nation, for it was I and no one else who decided to leave my native country and emigrate to the land of Dillinger and Capone. But I don't lament or blame, I celebrate.

I celebrate 10 years of free living; the liberty I have to speak my mind; the freedom I have to keep the friends I have, regardless of the color of their skin; the choice I have to follow whatever dress code I like, or to vacation where I please.

I celebrate our uncensored postal service, the multiple choice of products in our supermarkets, my being able to tell a policeman "I'll see you in court" without fear of retribution.

I celebrate the freedom I have to be publicly proud of my heritage; the ease of crossing into another state without being body-searched; the advantage of speaking the same language throughout the continent; the right I have to send my children to the schools of my choice.

I celebrate the liberty my family and I have to worship God whenever and wherever

we wish; the convenience of enjoying the best roads in the world; the free access to the coastline without having to ask permission of the state, or fear that my camera will be seized.

I celebrate the small urban parks with the omnipresent swings for all children, and the paths cut on the sidewalks for the wheelchairs of those who can no longer use their legs.

I celebrate the men and women of our armed forces whose sacrifices keep this country strong and powerful; our politicians whose skill made it so patient with vociferous and arrogant small nations; our scientists whose research and hard work have made America a world leader in technology.

Yes, give me America any time—crime, high cost of living, and all. I'll take it gratefully.

Today I celebrate the best 10 years of my entire life. I hold no regrets, doubts, or second thoughts that what I gave out of my income was too much, or that all that was built around us, which others take so much for granted, could have been accomplished with less. The reward I derive greatly exceeds what I gave.●

ROOSEVELT IS DEAD

HON. PETER H. KOSTMAYER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. KOSTMAYER. Mr. Speaker, as we commemorate the life and death of Franklin Roosevelt, who saved America from the Depression and the world from nazism, those of us who were not alive at the time of his death are deeply moved by the words of those who were.

Former CBS correspondent Charles Shaw was dining in Stockholm quite late on the night of April 12, 1945, when he learned of the President's death.

Surrounded by Swedes who had no one else to console, he became suddenly a representative of the United States and dozens of men and women "lined up to express their grief to the only American in that vast dining room."

Shaw "stood up, a representative of the United States of America, as one Swede after another shook his hand, bowed slightly from the waist, and said a few words. It was 10 minutes before the line ended."

I know that my colleagues, Mr. Speaker, will be moved as deeply as I was to read the words of Charles Shaw, which appeared last week in the New Hope Gazette, a newspaper of which Mr. Shaw was once himself the editor, and is now emeritus editor.

ROOSEVELT IS DEAD

(By Charles Shaw)

It was near midnight of April 12, 1945—forty years ago last Friday. As a CBS war correspondent in Stockholm, where I was able to cover Germany through interviews with newly-arrived travelers from Berlin and with German refugees . . . and by talking with Swedish newspaper correspondents

in Berlin in phone calls arranged for me by my German-speaking Viennese-born secretary, Susi Benedikt.

That evening I had broadcast what a Swedish correspondent named Av Sandberg had told me from his basement office in the heart of Berlin. He told me that his office was now pitch dark . . . power lines were down all over the city. In Stockholm, I could hear the thunder of exploding shells, both Russian and German, but mostly Russian, and of exploding bombs dropped by British and Soviet planes.

"Berlin presents the classic elements of Hell," he told me. "The trite phrase, 'a sea of flames', is the only one that can describe vast areas. There is no gas, water or electricity in Berlin. Thousands of refugees are streaming westward and northwestward."

Susi and I headed for the restaurant at the Grand Hotel, where we had only about ten minutes to get something to drink along with food before the bar and kitchen closed. I momentarily forgot the war as I talked about my son, Bryan, who was five years old that day.

Sam, the headwaiter, came up to tell me I had a telephone call. The caller was an exiled Danish newspaperwoman, who said, "I have just heard on the BBC that your President Roosevelt is dead."

I couldn't have been more shocked if I had been told that a close relative or a best friend had died. I shuffled back to my table, and a startled Susi asked, "What's happened to you? You look awful."

"Roosevelt is dead," I replied.

Now the word for dead in Swedish—dod with an umlaut over the o-sounds almost exactly like the English dead. Table by table, starting at the table next to mine near the entrance, the phrase, "Roosevelt dead", shimmered across the giant, L-shaped dining room, the largest in Europe at the time. The rumbling conversation, the clatter of dinnerware, began to fade as each table received the news. In retrospect, it was mindful of those new domino exhibitions, as if each of the thousands of standing dominos was a sound which was silenced as it fell. In a few minutes, the hubbub was replaced with deathly silence and the Swedish patrons began to leave their tables.

I sat at my table near the entrance (and exit) almost catatonically when I noticed an outstretched hand in front of me. I looked up to see a middle-aged Swedish man who offered me his condolences. Behind him were dozens of others, men and women, lined up to express their grief to the only American in that vast dining room.

I stood up, as a representative of the United States of America, as one Swede after another shook my hand, bowed slightly from the waist and said a few words. It was ten minutes before the line ended.

We went up to my office on the second floor, and soon we were joined there by other American correspondents—Bob Sturtevant of the Associated Press, Nat Barrows of the Chicago Sun-Times, George Axelsson of the New York Times and my old buddy, Phelps Sample, with whom I had worked on two newspapers before he became a press attache at the United States Legation in Stockholm, actually an agent of the Office of War Information (OWI).

We swapped stories of the Roosevelt we had known since 1932; then somebody asked, "What do you know of this fellow Truman?"

Nobody knew much about him. We had all been out of the country when he rose to some fame as head of a Senate committee

investigating war contracts and then became a compromise Democratic nominee for Vice President.

We knew we would be asked by Stockholm newspapers about Truman; we agreed that we could stress the fact that Roosevelt had picked him, that he (Truman) was a vigorous, honest official, that he would carry on in the Roosevelt tradition.

Stockholm was a sad city for several days. Official church and civil ceremonies honored the late President. His death was mourned the world over, except in Berlin, where Hitler danced a jig in joy, acclaiming Roosevelt's death as a sign that Germany would yet win the war.

In less than three weeks, Hitler also would be dead—dead by his own hand—and his country a vast pile of rubble. Only the die-hard Nazis, the SS butchers of Malmedy and of towns and villages across Europe—felt the least bit of sorrow over the death of Hitler. ●

GRADY COLUMN ON ORTEGA

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. EDGAR. Mr. Speaker, last month I led a delegation including our colleague TED WEISS and a number of church leaders to El Salvador and Nicaragua. Our privately funded trip explored the current situation in these two countries as well as the prospects for peace and the specific role of religious groups (including the Catholic Church) in achieving that peace.

One member of our group, Sandy Grady, is also a columnist for the Philadelphia Daily News. On his return, he wrote a series of five articles describing our trip and his impressions. Because he was able to so vividly express the atmosphere and flavor of our journey, I commend these pieces to my colleagues. Today, I would like to insert into the RECORD the first of the Sandy Grady columns, covering our meeting with Daniel Ortega, the President of Nicaragua. I know that many of my colleagues in this Chamber share my frustration with President Ortega's visit to Moscow. By increasing his ties with the Soviet Union, he has made it much more difficult for those who support a peaceful resolution to the Nicaraguan conflict to achieve a negotiated settlement. He has reinforced the fears of those who argue that Nicaragua does not hope to be nonaligned, but is becoming a Soviet client. He has provided President Reagan with a perfect excuse to apply economic sanctions against Nicaragua.

Mr. Speaker, I continue to believe that a military solution for Central America is no solution. I continue to believe that both Nicaragua and the United States are pursuing the wrong path—our Government in continuing to push military intervention; the Nic-

aragua Government by increasing its reliance on the Soviets.

Regardless of one's position on these matters, I think that Sandy Grady's article helps to bring light rather than fire to the situation. I commend his article on Daniel Ortega to my colleagues:

ORTEGA: A CENTER OF CALM

(By Sandy Grady)

MANAGUA, NICARAGUA.—He doesn't pack a .45 on his hip, wear a beard or smoke big cigars. If you're casting a Cold War drama and looking for the stereotypical revolutionary firebrand, Daniel Ortega Saavedra isn't your man.

From the moment I shook hands with Ortega, the president of a country at war with the United States, I found him a surprise and an enigma.

He looks like a guy who might have been a college shortstop—good field, no hit. He's about 5-8, 150 pounds in well-pressed army khakis and black boots. He speaks softly, wears black horn rims, and moves with a shy, cat-like tread.

He rarely smiles. Even when he says, "Welcome to Nicaragua," he looks down at his boots.

This is the 40-year-old fireball who, according to the Reagan administration, threatens a Marxist march to the Rio Grande?

Ortega comes off more like a librarian or a Yuppie computer technician. If you were expecting the charm and bluster of your basic American politician—or the macho swagger of a Fidel Castro—Ortega seems a cold fish.

But when he starts talking about the debate raging in Congress over \$14 million in U.S. aid to the guerrillas who are killing his people in the north, Ortega's low monotone picks up passion.

"If the *contra* aid is cut, we could have our first chance to normalize our national life," Ortega says. "You would see immediate changes. But if the war must go on, we will never surrender."

It was 9 o'clock on a soft Managua night. A U.S. group, including Rep. Bob Edgar, D-Pa., Rep. Ted Weiss, D-N.Y., and I had spent the previous 12 hours talking to a spectrum of Nicaraguan leaders. Setting up the meeting with Ortega had been an all-day, off-and-on dance with the Sandinistas.

It only took a few hours, though, to see that Nicaragua is a country in trouble.

Managua, because of the '72 earthquake, looks like Dresden after the firebombing—one big vacant lot. Everybody tells you the economy is bad. Billboards stands in the rubble blaring. "Everyone to the defense, everything for the war fronts!" The streets rumble with lorries full of soldiers.

The dusty rawness and war fever reminded me of grainy photos of Washington in 1860-65.

Ortega, though, is the Mr. Cool in this maelstrom. He's sitting in a wicker rocker on the patio of the House of Protocol—a plush home of the Somoza clan before the 1979 revolution. We could be in Palm Beach or Beverly Hills, except for the red-and-black Sandinista flag behind Ortega and the Young men outside with Soviet-issue AK-47 rifles.

What happens if Congress doesn't vote for \$14 million in aid to the *contras*. Ortega was asked.

"It would be a real blow to them and would bring deterioration to the *contras*,"

he said. "The violence would continue, but at a lower level."

Ortega spoke through an interpreter. Foreign Minister Miquel D'Escoto, a cherubic man educated at Columbia University, sometimes filled in a phrase when the translation stumbled.

Maybe he was only holding out a carrot to Congress. But Ortega promised to ease the Sandinistas' iron grip if U.S. funds for the rebels diminish.

"We could make immediate adjustments. We could have more internal dialogue with our opponents," Ortega said. "There could be military changes. As you know, 40 percent of our economy now goes for the war. And there would be more freedom for the press."

Ortega did not mention evicting Soviet and Cuban military advisers from Nicaragua. And he admitted press censorship might return if President Reagan kept up pressure to topple his government.

"The president has other ways to hurt Nicaragua," said Ortega somberly. "He can find other ways to fund the *contras*."

Ortega spoke in long, numbing detail about the Contadora peace agreements—the efforts by diplomats of Mexico, Panama, Colombia and Venezuela who have been trying for two years to settle the U.S.-Nicaraguan feud.

"It's become a propaganda war," grumbled Ortega softly. "Anything Nicaragua accepts, the U.S. feels must be wrong. Reagan wants foreign advisers out, but he doesn't want anything concrete about U.S. maneuvers in Central America."

"Look, we feel very threatened by those thousands of U.S. troops maneuvering on our border," injected D'Escoto. "There has to be some regulation."

"Reagan policy," said Ortega with a slight shrug, "is that any real negotiation is a sell-out."

I detected no anger, no *mano a mano* ferocity, when Ortega mentioned Reagan's name. Like many Nicaraguans I met, from the leadership to the *campesinos*, he seems puzzled by Reagan's hostility. But Ortega is an analyst who knows both he and Reagan are dancing a ballet of rhetoric.

During our one-hour session, Ortega doggedly pursued every question—no humor, no irony, no small talk. He impressed me as being a serious young guy thrust too quickly into a world role.

"He needs a media consultant to teach him to make eye contact," joked Rep. Edgar later. A British interpreter who works with the Sandinistas told us: "Ortega's basically shy. I think they [the nine-member Sandinista directorate] drew straws to pick him as leader. But on television, he's fiery. I don't see his popularity slipping."

In a candid interview at his house earlier, U.S. Ambassador Harry Bergold agreed.

"I think the Sandinistas lost some of their best leaders, except for [Interior Secretary] Tomas Borge, in the revolution. This is their second-string. Ortega's read his Marx like all of them, but he's probably the most flexible. His stock is probably still high despite the war and the economy."

That's the mood you pick up in the countryside, too. Reagan administration pressure has hit Ortega's country hard. The *contras* have killed 2,800 people and wounded 2,000 through 1984, by Sandinista figures. There is grouting over shortages. You hear of hundreds of youths in hiding because of the draft. Inflation runs wild. (On the black market, a U.S. buck brings 600 cordobes. The official exchange rate is 50 cordobes to

a dollar). But support for Ortega & Co. seems high—ironically, in part because of Reagan-induced war fever.

In short, Reagan's plan to topple the Sandinistas isn't working. Another \$14 million for the rebels wouldn't matter. To change governments here, I suspect he'll need B-52s and 100,000 U.S. troops.

Ortega seemed momentarily baffled by one last question: Where did he think Nicaragua would be 10 years from now?

"It's hard to think long term when you live under war stress," he said, frowning down at the boot tops. "Even if the war ended today, we'd have our economic problems. In 10 years I'd hope to consolidate our goals—pluralism, a mixed economy, non-alignment. We don't just want to end hostilities but have normal relations with the U.S. We need U.S. aid and trade. Even if the guns stop, our future depends on an understanding with the U.S."

Hanging in the air were the unspoken words: It depends on what Reagan does next. No wonder Daniel Ortega seems a nervous young man.●

OSI AND THE SOVIET UNION

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. SCHUMER. Mr. Speaker, the Office of Special Investigations of the Justice Department is under attack. The OSI is the division that hunts, investigates, and prosecutes Nazi war criminals. The OSI is facing criticism not because of its purpose or the quality of its work but rather because of the methods that it uses to gather information about these criminals.

The OSI receives a substantial amount of information from the Soviet Union. For obvious reasons the OSI does not accept the Soviet information as gospel. The OSI subjects the information to stringent tests. Although the credibility of the Soviet evidence has been challenged, it has been sustained often by our courts. The OSI also carefully tests and makes independent evaluations of all the evidence. It would be foolish of the OSI to disregard any available evidence that might help track down a Nazi war criminal.

In addition, the OSI provides information about the criminals it pursues to the Soviet Union. This exchange of information represents one of the few efforts to which both our countries are jointly and genuinely committed. The Nazis were an enemy common to both our countries and for this reason we can cooperate to punish them even in the midst of our strained relations.

I urge my colleagues to see the benefits of this unique relationship with the Soviet Union and support the OSI's efforts to bring our common enemies out of hiding. I hope that the following articles help to clear up the misconceptions that have plagued the OSI.

[From the Washington Post Magazine, Apr. 28, 1985]

DEPORTING OUR NAZIS

The court's findings in *United States v. Demjanjuk* are succinct and dry. Ivan Demjanjuk, born in 1920 in the Ukraine and in recent years resident in Cleveland, was conscripted into the Red Army in 1940. In May 1942, 11 months after Germany invaded the Soviet Union, he was captured, and a few months later, trained at a camp in Trawniki, Poland, to help the Germans exterminate the Jews. At Trawniki former Soviet POWs, many of them Ukrainians, were given uniforms, organized into military units, armed and salaried. In return they swore obedience to the German S.S. and its rules.

According to the court's findings, Demjanjuk was soon after sent to Treblinka, one of the Nazis' main extermination centers, where he operated the gas chambers. In Treblinka's gas chambers, 900,000 Jewish men, women and children were killed between the summers of 1942 and 1943. Witnesses at Demjanjuk's trial, most of whom had been forced to carry corpses out of the chambers to nearby burial pits, said they remembered the defendant well. They testified that he activated the motors that pumped the gas into the chambers, herded the Jews into them and beat them as he did so. The testimony regarding his extracurricular activities was in a grisly way redundant. Before the Jews were killed, Demjanjuk often tortured them, witnesses said; one survivor recalled that Demjanjuk used a wood drill to torture the survivor's friend. "The savage cruelty of this notorious man," Judge Frank J. Battisti observed in his decision, departing from his otherwise dispassionate account, "earned him the special nickname among the camp's Jewish inmates, 'Ivan Grozny,' or 'Ivan the Terrible.'"

After the war, Ivan Demjanjuk became one of Europe's 8 million displaced persons, a huge horde of both the persecuted and their persecutors. In 1950 he applied to come to the United States under the Displaced Persons Act that Congress had passed to admit European refugees while denying entrance to those who had "assisted the enemy in persecuting civil populations" or had "voluntarily assisted the enemy forces." In his application, Demjanjuk mentioned neither his work at Treblinka nor his service to the German military, he said he had been a farmer in Poland from 1937 to 1943 and then had worked in Germany. In 1952, issued a visa, Demjanjuk entered the U.S. In due course, having sworn he had not lied in the process of getting his visa, he became a citizen and changed his name to John. For many years he lived in Cleveland and worked in a Ford plant.

But Demjanjuk's world was overturned in 1981 when Judge Battisti found that he had lied in order to become a citizen and had concealed facts that would have made him ineligible for citizenship or even entry into the U.S. The judge proceeded to denaturalize him. Later, Demjanjuk tried to reopen the case by arguing that some of the evidence used in the trial—the identification card said to have been issued to him by the Nazis at the Trawniki camp—had been forged by the Soviets, that two witnesses had lied and that the Justice Department had collaborated with the Soviets in the forgery and the perjury. Battisti heard the arguments and rejected them. Last year, Demjanjuk, who denied the charges against him at his trial and continues to deny them and to maintain that he never served the Nazis or worked in concentration camps, was

found deportable to the Soviet Union. An appeal is pending. In the meantime, at the request of Israel, Judge Battisti has ruled that Demjanjuk be extradited to that country, where he could be executed if found guilty. Demjanjuk has also appealed the extradition case.

If he were deported to the Soviet Union instead of extradited to Israel, Demjanjuk wouldn't be the first to experience that fate. That distinction has been accorded to Feodor Fedorenko, also a Ukrainian found to have served the S.S. at Treblinka. Last December, having been found to have assisted "in thousands of murders," Fedorenko was sent to the Soviet Union. At New York's Kennedy Airport, he told government officials, "I am going home."

A number of similar cases are moving toward a judgment of deportation to the Soviet Union. Most of the approximately 30 persons against whom charges of this sort are pending, and many of the 300 under investigation, are from areas now ruled by the Soviet Union. A significant number are from the Baltic states—Lithuania, Latvia and Estonia—where, as in the Ukraine, some members of the population helped Nazis in their persecution, and murder, of civilians.

During the past few years, a vigorous campaign has been waged in this country to prevent the deportation of Demjanjuk and others like him, and to vilify the Office of Special Investigations, the Justice Department unit created in 1979 to prosecute these cases. This campaign has been waged by émigrés and the children of émigrés from the areas from which most of the accused Nazi collaborators came. To some extent, their efforts are understandable: they fear that the identification of these people as Lithuanians, Latvians, Estonians or Ukrainians serves to taint—unjustifiably—all émigrés from those areas as collaborators, especially in the minds of Americans unaware that most people who lived in the Baltic states and the Ukraine under Nazi rule suffered greatly from the Germans and did not collaborate with them in any way. But more powerful than that concern appears to be the belief that by sending such persons to the Soviet Union the U.S. is, implicitly, recognizing that the areas from which they came—particularly the Baltic states—are in fact legitimate parts of the Soviet Union.

To combat the government's denaturalization and deportation program, the émigré groups have, in the main, used two arguments. One has been that the individuals charged are simply, innocent. The other has been that the government's case against at least some of them is invalid because part of the evidence used against them comes from Soviet documents and witnesses. By allowing Soviet evidence in the record, these émigré groups and their supporters argue, we have permitted the cherished precincts of our legal system to be invaded by the corrupt and corrupting tentacles of Soviet legality, the aim of which is not justice but the disparagement of anti-Soviet émigrés and the embarrassment of the U.S. as the protector of ex-Nazis.

Eli Rosenbaum, a former Justice Department lawyer, has observed that the émigré campaign against the OSI, which has grown markedly during the past six months, has taken on strong anti-Semitic overtones. For example, a Lithuanian-language newspaper published here has accused Jews of having been "the first to torture and murder the hospitable Lithuanians," and has said the OSI is controlled by "the Jewish lobby."

But even if the campaign has developed an anti-Semitic dimension, it is important to look beyond the anti-Semitism and to take seriously the arguments made against the OSI's methods and the deportation trials, especially against the use of evidence from the Soviet Union. We certainly can't be in the position of deporting persons on the basis of evidence that doesn't meet our criteria of validity.

There are good reasons to think that we aren't. The Soviet-supplied documents are subjected not only to handwriting analysis but also to examination of paper and ink samples to confirm their age and origins and to be sure that they have not been fabricated. In Demjanjuk's case, the finding that he had been at the Nazis' Trawniki training camp was based on an identity card the Soviets said they found that they later supplied to the Office of Special Investigations. But this finding was only one of several against Demjanjuk, the others including the far more crucial conclusion that he actually operated the Treblinka gas chambers—a finding based on testimony of Treblinka survivors, none of whom were Soviet citizens and all of whom identified the photograph on his 1951 U.S. visa application.

So far there has been no proof of Soviet fabrications in any of these cases. One defendant, George Theodorovich, who first denied that he had signed reports documenting his participation in "actions" against Jews and called them forgeries, finally admitted that he in fact authored and signed the reports—in order, as he explained it, to account to his Nazi superiors for some missing ammunition.

Moreover, in the vast majority of cases, the evidence is compelling that the witnesses from whom the Justice Department has taken depositions in the Soviet Union have not been forced by the KGB to present uniformly one-sided, false and defaming evidence against the defendants. In one case, against Mikola Kowalchuk of Philadelphia, Soviet witnesses gave exculpatory testimony that convinced the OSI to drop the charges against him.

The maintenance of our program to deport Nazi collaborators is important enough on its own merits, but there is another reason we should maintain and even strengthen it. The struggle against the Nazis was the only effort to which we and the Soviets have ever been jointly and genuinely committed. That enterprise is remembered with enough warmth to make it the main, and perhaps only, reservoir of kinship between our countries. And so now, at a time when our common enemy, mutual nuclear annihilation, is potentially even more dangerous than was Hitler, and when we are just beginning to re-engage each other in the wary process of negotiating ways to reduce that danger, it is precisely from the remaining reservoir of good will that was formed during our shared struggle against the Nazis that we should draw the spirit that could foster our joint efforts. As soon as possible—perhaps in the wake of the 40th anniversary of VE Day, which will take place on May 8, and perhaps even in Geneva, at the site of the arms control negotiations—we should agree on a treaty, or other form of understanding, in which the U.S. would affirm its intention to send to the Soviets all those who worked for the Nazi killing machine who were born in what is now the Soviet Union, and in which the Soviets would agree to take them.

For our part, initiating such an understanding, and continuing to deport former

Nazi collaborators who lied their way into our midst, would be a way of doing the last justice possible to some of their victims. For the Soviets' part, accepting the collaborators would be a way of joining in that act of justice. Such a joint action would certainly revive our memories of our common past; and it might even enhance our chances for a common future.

HINDERING THE NAZI HUNTERS

(By Jack Anderson and Dale Van Atta)

The Justice Department's Nazi-hunting Office of Special Investigations is under increasing attack from critics, with its funding and its very existence at stake. It may be no coincidence that the demands for OSI's extinction come just as its years of painstaking research have begun paying off in the exposure and deportation of suspected war criminals who had taken refuge in the United States after World War II.

As long as the OSI sleuths were just digging quietly into the backgrounds of the accused ex-Nazis, little concern was expressed. Even while the years of legal actions and appeals were grinding along, opposition to the OSI drew little publicity.

But when the OSI hit paydirt, emigre organizations found sympathetic listeners in Congress and the media.

It may also be no coincidence that the often shrill cries for OSI's head coincided with the Reagan administration's heated rhetoric about the Soviet Union as the architect of subversion worldwide.

For the key point made by OSI's critics is that the evidence against Eastern European ethnic refugees often comes primarily from the Soviets, and is therefore suspect.

But in the case of OSI's targets, the charge of KGB fabrication of evidence falls on three important grounds: The documentary evidence supplied by the Soviets has withstood court challenges in this country and abroad, and has been authenticated through exhaustive scientific testing. Furthermore, the paper trail has been buttressed by personal testimony of surviving eyewitnesses, always under cross-examination by defense attorneys.

Finally, there is no plausible reason why the KGB should have expended the massive effort that would have been required to trump up evidence against dozens of suspected war criminals being investigated by the OSI. Plotting the assassination of a Polish pope who had sown the seeds of rebellion in a Soviet satellite is one thing; forging police records and payrolls in obscure areas of Nazi-occupied Eastern Europe to nail obscure concentration camp guards in the United States is quite another.

Yet the emigre groups' accusations—often couched in blatantly anti-Semitic terms—have somehow managed to gain some credence, not only on Capitol Hill but at the White House itself. So OSI insiders are understandably nervous when they hear emigre leaders call for an end to the Nazi hunt, or at least a congressional hearing into the validity of Soviet-supplied evidence used by OSI.

When OSI investigators first began their arduous search in 1979, they were aware that the evidence they gathered might be challenged as having been tampered with for political motives. Whenever possible, OSI sources told our associate Lucette Lagado, the Soviets handed over originals of the incriminating documents.

These were then subjected to careful scientific tests—including extraction of ink and paper samples. Handwriting experts au-

thenticated defendants' signatures on the Soviet-supplied documents. Many of the documents were verified by the defendants themselves. The documents included such mundane items as payroll records, housing registration forms and local police reports filed at the actual time of alleged war crimes.

The emigre groups charge that the eye-witness survivors were coached by the KGB to condemn the OSI suspects. Yet in every single case, according to OSI sources, the witnesses were exposed to cross-examination. And while some were consistent and condemnatory, others were not.

As Allan Ryan, the former head of OSI, put it: "They were not uniformly providing evidence that these defendants were all war criminals. They were about as honest and good as witnesses in this country. Sometimes they were helpful, sometimes not. Sometimes they told the truth and sometimes they lied."

Most of the witnesses were elderly peasants, with simple but gripping accounts of the atrocities they saw. Some broke down on the witness stand.

Eli Rosenbaum, a former OSI prosecutor, told us: "Soviet-supplied documentary and testimonial evidence has been used in war crimes trials in Western courts ever since Nuremberg. And over those nearly 40 years, no one has documented a single case of fabricated evidence or perjured testimony."

Ryan was particularly incensed at the success the emigre groups have had recently in sowing seeds of doubt about the fairness of OSI prosecutions. "This latest offensive against OSI is nothing new," he said. "It has been going on for five years. It's the same old garbage."

Ryan said that for two or three years he patiently tried to explain OSI's methods to emigre critics, even inviting them to view the videotaped depositions of the Soviet eyewitnesses. None of the critics took him up on the offer. "These people are not interested in the truth," he said. ●

FORD HONORS DISTRICT YOUTH

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. FORD of Michigan. Mr. Speaker, some years ago I established the Medal of Merit to honor outstanding young men and women in Michigan's 15th Congressional District who have made significant contributions to their communities.

We have no greater natural resource in America than our young people. It is they who will shape our future.

At a time when our Nation cries out for young leaders and selfless citizens, I can think of nothing more fitting than to honor young people who have already learned to give of themselves for the good of others. It's an honor for me to be in a position to recognize their achievements and wish them future success.

I also want to thank the 36-member citizens' committee, chaired by Elva Ryall, which selected the winners.

In addition to the 29 young people, medals were won this year by three groups: the Corner Health Center Performing Troupe of Ypsilanti, the Belleville High School Ambassador Chorale and the Action Junior Civitan Club of Westland. All three groups are made up of young people who devote their time and talents to community betterment.

The 1985 Medal of Merit winners are:

AUGUSTA TOWNSHIP

Jill Marie Hall, 18, daughter of Robert C. and Janet M. Hall, is to be commended for her organization and direct effort in providing leadership for many of the activities enjoyed by other students at Lincoln High School. Some of these include the "Welcome Back" flower sale, student elections, homecoming parade and dance, and other related activities. She also finds time to be involved in her church youth group.

BELLEVILLE

Theresa Davis, 18, daughter of Mary A. Davis, for her dedication to the Belleville High School bands. As their student business manager she has unselfishly devoted time and assistance to the band directors and performers, always with concern for the betterment of the group.

CANTON TOWNSHIP

Mark Alfred Mareno, 18, son of Al and MaryAnn Mareno, for his volunteer work which includes offering assistance to senior citizens, his involvement as a Red Cross volunteer and blood donor, and for his participation in Amnesty International, a group which promotes human values and denounces discrimination worldwide. Mark also finds time to tutor students less fortunate than himself.

Christopher Sands, 17, son of Gary and Eileen Sands, for his extensive community involvement and the leadership he has exhibited as National Honor Society president at Plymouth-Canton High School. Some of the events Chris has been directly involved with are: Thanksgiving Food Drive with the Salvation Army, Christmas Gift Drive, Red Cross Blood Drive, Christmas Carol Sing for Senior Citizens, State Marching Band Festival, Bird Elementary Science Fair, and the Hawthorne Center Educational Project.

GARDEN CITY

Susan Pepera, 17, daughter of Mary and John Pepera, for her community work as chairperson of Garden City's Annual Clean-Up Day, a position usually held by an adult resident. As a member of the Mayor's Youth Advisory Commission, Susan was part of the team that established Garden City's Youth Assistance Bureau, which provides assistance for troubled youths. Currently serving as president of the National Honor Society at Garden

City High School, Susan was responsible for that group raising \$500 cash and over \$1,000 worth of toys to help provide a Christmas celebration at Children's Hospital.

HURON TOWNSHIP

Scott Allen Adkins, 17, son of Franklin and Nora Adkins, for his involvement and leadership in community and school activities. Scott is president of the National Honor Society at Huron High School and, as a member of the student technician's team, has worked extensively on the running of lights, sound, and stage equipment for several high school and community activities. As a member of the Waltz Improvement Association, Scott has helped with the annual waltz lighting ceremony, its decorating and removal, and will direct the waltz homecoming parade this year.

LIVONIA

Kevin Kert, 16, son of Harry and Corrine Kert, for his involvement in community, church, and school activities. Kevin has served in various capacities with his church youth group, some of which include: copresident, group leader of the senior youth group, and member of the youth council. Kevin helped to prepare and serve meals for 300 needy persons in Detroit, taught Bible school to a group of Indian children in the upper peninsula, and raised funds for volunteers in Haiti. He also performs with the Redford Township Unicycle Club.

Nancy Susan White, 20, daughter of Alec and Barbara White, for her involvement in community and humanitarian projects, including camp counselor at a muscular dystrophy summer camp, her work on special Olympic events, and her time given to senior citizens and mentally handicapped persons. She was listed in the 1982-83 "Who's Who Among High School Students," and is currently studying pre-medicine at Wayne State University.

ROMULUS

Sandra Barr, 17, daughter of Len and Kathleen Barr, for her outstanding leadership and involvement in student government work and student activities. Sandra was a member of Operation Can Do, sponsored by Elias Brothers Restaurant, Conservation Club president, homecoming queen, and is the March of Dimes chairperson for 1985.

SALINE

Jimmy D. Ingersoll, 19, son of Harold G. and Doris M. Ingersoll, for his involvement in church and athletic activities, and the unselfish donation of his kidney to his ailing sister. Jimmy is a member of the SalineVarsity Club, and has participated in baseball, basketball, and track. He is also a member of the Saline Baptist Youth Group, the Future Homemakers of America, the Vocational Industrial

Club of America, and a Red Cross instructor.

SOUTHGATE

Stephanie Usevicz, 14, daughter of Thomas R. and Julia G. Usevicz, for her involvement in community affairs and school activities. Stephanie is a Senior Girl Scout, and has organized a program called Brownie Skills Day, which teaches the younger children how to help themselves in emergency situations. During her summer vacations she volunteer teaches babysitting and basic first aid classes for the American Red Cross. She also donates time to school fairs, fundraising projects and children confined to home because of illness.

SUMPTER TOWNSHIP

Virgie Bright, 17, daughter of Earl and Esther Bright, for her volunteer efforts to aid the elderly and families of the terminally ill. Virgie is also interested in local government, helping on both primary and general elections to organize collection of absentee ballots from convalescent homes, canvassing neighborhoods, and manning telephone banks. She has volunteered to answer telephones for the Channel 56 telethon, and was president of the Ypsilanti Junior Daughter Elks.

SUPERIOR TOWNSHIP

Frances Howard, 17, daughter of Donald and Regina Howard, for her community, athletic, and school involvement. Frances has served on her school's health advocacy board, worked as a volunteer at St. Joseph's Hospital, been involved in the medical explorers group, School Engineering Club, and has participated in Partners in Prevention, a group which advocates drug prevention. In addition, she is a member of the volleyball, cross country, and track teams at Willow Run High School.

TAYLOR

Chris Kermans, 18, son of Jim and Jackie Kermans, for his volunteer efforts and outstanding citizenship in obtaining information, at risk to his own personal safety, that resulted in the arrest of suspects in an arson case. While working on his car, Chris witnessed an explosion at a store near his grandfather's property. Seeing three men flee the area, Chris pursued them in his car and was able to furnish police with information which resulted in the arrest and conviction of the suspects. Chris also assists in aiding the elderly in Taylor and Riverview, and devotes many evening hours to his widowed grandmother.

Daniel A. Martinez, 19, son of Daniel R. and Judith Martinez, for his involvement and efforts to get the Taylor school millage passed. Daniel organized a dance to raise funds, helped coordinate a door-to-door campaign, and made public presentations. He also found time to assist in organiz-

ing Students Against Drunk Driving and is presently serving as Youth Governor for the State of Michigan through a YMCA youth program.

F. Michael Yakes, 18, son of Frank C. and Dorothy M. Yakes, for his community involvement and humanitarian efforts. Mike was serving as a CORE Club/Association for Retarded Citizens volunteer at the Lincoln Pool, in Wyandotte, when a young retarded man wandered into deep water. Because of Michael's quick action and efforts, the young man was rescued without harm.

VAN BUREN TOWNSHIP

Diane Bechel, 21, daughter of Barbara and John Bechel, for her community service and campus activities at Eastern Michigan University. She founded and coordinated Resources for Equity and Action for Consumers and Tenants [REACT], a community service organization. She has been involved in programs dealing with landlord-tenant problems, student defenders, sexual harassment, and the student resource center programs where students help other students.

Kevin Carnahan, 21, son of Ken and Shirley Carnahan, for his service as a volunteer at St. Joseph's Hospital, his involvement in his community, his activities at Central Michigan University and his participation in local political campaigns. Kevin has exhibited a great desire to be involved in public affairs, and has organized such events as "Alcohol Awareness Week," "Armageddon—what does it involve for Mankind?" and the Winter Resident Assistant Orientation Program at CMU.

Dawn Marie Twydell, 18, daughter of Kenneth and Patricia Twydell, for her commitment to community involvement. Dawn has been involved in collection and funding drives for the Van Buren Convalescent Center, Beyer Hospital, Wayne Convalescent Center, University of Michigan Mott's Children's Hospital, the Statue of Liberty, and the Easter Seal Telethon. She has also worked to establish a wildlife area in her community and other environmental projects.

WAYNE

Crystal Marie Bell, 17, daughter of Don J. and Marion Bell, for her involvement in community and school activities. Crystal has participated in Thanksgiving basket drives for the needy, volunteered as an aide to persons in convalescent homes as well as volunteer pianist, and was a special Olympics volunteer. Crystal was selected by the Michigan Board of Education to participate in the Arts and Science Institute at Central Michigan University.

Jeffrey D. Clark, 22, son of Joel Clark and Lynn Cole, for his community service in charity fundraising and as a big brother. Jeff is a member of the Canton Jaycees and served as their muscular dystrophy chairperson.

During a 10-day period he singlehandedly raised \$1,300 for the organization. Since December of 1983 he had devoted 3 to 4 hours weekly serving as a big brother. Jeff also serves as a member of SANE, citizens for a sane world, free of excessive nuclear weapons.

WESTLAND

Michael W. Gilmour, 17, son of William J. and Patricia Gilmour, for his involvement in youth work and community service. Mike is a youth representative to the parish council at St. Bernardine's Church, where he collected over 2,000 cans of food himself for the church food drive. He also is a member of the student congress at Franklin High School and works part time for the Detroit News.

Steven D. Johnson, 18, son of Glenn and Donna Shaw, for his school and community involvement. Steve was elected president of his sophomore, junior, and senior classes, and in this capacity organized numerous activities and fund-raising projects. He has been a Junior Civitan, and currently Steve is recruiting blood donors for the Red Cross blood drive, while continuing work with special Olympics.

Kendel Joy Reimann, 18, daughter of Kenneth and Mildred Reimann, for her community and school involvement. Kendel has been a volunteer for her school as a tutor and elementary school library assistant, for her church, as a volunteer day camp counselor, a member of her church quiz team, and is a coach and counselor at the Huron Valley Youth for Christ Quiz Camp. She also volunteers clerical duties for the Wayne County Sheriff's Department.

David Krazel, 19, son of Mr. and Mrs. Norman Krazel, for his involvement in scouting, school, and community activities. David is an Eagle Scout, and was one of the first 26 American scouts chosen to participate in a pilot program in Denmark in the European International Camp Staff Program. David was also director of the Nature and Indian Lore at the Cub day camp, is an assistant troop leader, and is active in his church as an assistant Sunday school teacher.

Michael Parsons, 21, son of Mr. and Mrs. Robert Parsons, for his excellence in scouting. Michael is an Eagle Scout, a full-time student at Eastern Michigan University, and an active participant in junior Olympics. In addition, Michael is assistant scout master of Troop 745, dedicating his time to provide guidance and inspiration to younger scouts.

YORK TOWNSHIP

Liam Burgess Lavery, 18, son of William and Barbara Lavery, for his community and school involvement. Liam is cochairperson of the National Honor Society at Saline High School, and tutors students as well as organizes projects, such as dances, to raise funds for Saline social services. In his

spare time, Liam is a volunteer at the Saline Evangelical Home for senior citizens, a volunteer worker with retarded citizens at Washtenaw County's High Point School, plays bassoon in a jazz band and is on the executive committee of Project Outreach-Washtenaw County Leadership Forum.

YPSILANTI TOWNSHIP

Lori Karoub, 17, daughter of Lucy Karoub, for her community involvement. Lori was instrumental in the organization of the Students Against Drunk Drivers [SADD] at Ypsilanti High School. The group was launched with an all-day presentation slide show and full length movie depicting "Kevin," the story of a young man's experience with drinking and driving.

YPSILANTI TOWNSHIP

Elaine Harper, 16, daughter of Billie Harper, for her community and church involvement. For 2 years Elaine has been a volunteer at St. Joseph's Mercy Hospital, working on various projects including the Hospital's Health-O-Rama and community CPR training programs. Elaine is also very active at the Willow Run Church of God and is a Sunday school teacher there.

COMMUNITY SERVICE GROUPS

ACTION JUNIOR CIVITAN CLUB OF WAYNE- WESTLAND AREA

On November 15, 1983, with 22 members, the group was chartered, and was sponsored by the Wayne Civitan Club. Among their various service projects and fundraisers are:

Dressed as clowns they participated in the Wayne Thanksgiving Parade and passed candy out to children along the parade route. They were awarded with a plaque as "Best Youth Group."

In December 1983 the group sold candy canes and raised \$200 cash which was donated to the Wayne County Special Olympics for the 1984 Winter Games.

Club members participated as volunteers at the Wayne County Special Olympics Winter Games in 1984 and 1985. At the spring games in 1984 the Junior Civitans ran a concession stand where they realized profit of \$400 which was used for various projects throughout the year.

The club sponsored a bowl-a-thon in February 1984, with the proceeds being donated to the Jerry Lewis Muscular Dystrophy Telethon.

Each January the club donates \$100 for the Junior Civitan governor to participate in the "Snow-Do" held in Canada with the proceeds going to the children's hospital in our area.

Currently, and since the club was formed, Junior Civitans have adopted and sponsored a child, named Amri M. Nafi, through the Save the Children Program, sending a \$16 donation monthly.

The Junior Civitans are present in the Wayne-Westland area whenever

there is a holiday or event, making certain that the needs of the elderly and the underprivileged in our area do not go unnoticed.

BELLEVILLE HIGH SCHOOL AMBASSADOR CHORALE

During the recent economic recession that hit our area so badly many schools were faced with tough decisions and many programs were cut back drastically. Belleville High School was no exception to this phenomenon; however, one group managed to stay alive through the sheer dedication of the director and students, and their desire to go on. The group is the Belleville High School Ambassador Chorale, and is comprised of 16 hard working, and very talented young men and women. They perform extensively and act as goodwill ambassadors for the Belleville High School and the youth of their community.

They are an important part of Belleville High School aside from their concert and ensemble performances. Additionally they perform in regular community parades and float competitions, and provide stage crew and technical expertise in the high school auditorium; they decorate the music hall during Christmas, assist with set up and crowd control during homecoming festivities, and provide leadership and exemplary citizenship for all students to observe on a day-to-day basis.

CORNER HEALTH CENTER PERFORMANCE TROUPE

The Corner Health Center Performing Troupe is comprised of a group of students from Willow Run and Ypsilanti High Schools. The main purpose in performing is to educate the students. Their performance and skit topics such as substance abuse, premarital sex, single family crisis, and issues of health and emotional wellbeing, are very well received by the students. Besides performing at their schools, they perform for other schools in the area and community agencies, offering an excellent outlet for socialization for the students. ●

AIDS EPIDEMIC

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. WAXMAN. Mr. Speaker, sometime over this past weekend, the Nation broke a tragic record: Yesterday the U.S. Public Health Service reported that there have been more than 10,000 cases in the United States of acquired immune deficiency syndrome, or AIDS, reported to the Centers for Disease Control. Next week we will reach the even more tragic statistic of more than 5,000 deaths from AIDS.

When first considered, these numbers seem unbelievably large, as large as if a small town had been destroyed.

But as large as they seem, these numbers are steadily growing. Today between 13 and 14 more people will be diagnosed with the disease. Today eight more people will die. By this time next year, more than 20,000 people will have been diagnosed and more than 10,000 will have died. Officials at the CDC and NIH are already talking about 2 million infections today and 200,000 cases of the disease within 4 years.

I am afraid that this relentless epidemic is exploding largely unnoticed. There are news stories every few weeks, sometimes about blood screens, sometimes about a new drug that may be effective in test tubes. Other days there are large headlines suggesting that all blood is tainted or that a cure has been found, headlines that may cause hysteria or give false security. But most major news media and most policymakers have never given the disease the clear, evenhanded, and honestly frightened discussion that it deserves.

I will, over the next weeks, insert the current statistics of the AIDS epidemic into the RECORD. I will also add after each surveillance report some discussion of policy issues raised by the epidemic or of the responses made to it by the Government, by the medical community, or by the gay community and other groups most affected by the disease.

Today I only want to add a short note on public health and the budget. At current rates of spread of the disease, during the remainder of fiscal year 1985 and fiscal year 1986, almost 20,000 people will die of AIDS. For fiscal year 1986, the Reagan budget and the Senate-administration proposal call for a freeze on funding for AIDS surveillance, epidemiology, research, prevention, and information programs. As the Secretary of HHS recently told an assembly of scientists working on AIDS, "This is a measure of the administration's commitment."

I believe that it is irrational and irresponsible to slow the efforts to control a fatal disease. The result will only be a longer epidemic and more lives lost.

Mr. Speaker, I submit the following statistics for the week ending May 5:

ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) WEEKLY SURVEILLANCE REPORT, MAY 6, 1985, U.S. CASES

	Reported cases	Reported deaths
Adult/adolescent	9,930	4,879
Pediatric (under 13 at diagnosis)	120	84
Total	10,050	4,963
Age of AIDS patients:		
Under 13	120	
13 to 19	55	
20 to 29	2,131	
30 to 39	4,741	
40 to 49	2,099	
Over 49	903	
Unknown	1	
Total	10,050	

ACQUIRED IMMUNE DEFICIENCY SYNDROME (AIDS) WEEKLY SURVEILLANCE REPORT, MAY 6, 1985, U.S. CASES—Continued

Residence:	Reported cases	Reported deaths
New York	3,746	
California	2,282	
Florida	704	
New Jersey	591	
Texas	507	
Pennsylvania	203	
Illinois	178	
Massachusetts	151	
District of Columbia	144	
Georgia	124	
Puerto Rico	115	
Maryland	106	
Connecticut	105	
Washington	104	
Louisiana	88	
Virginia	75	
Colorado	67	
Ohio	65	
Michigan	49	
Missouri	44	
Arizona	42	
North Carolina	33	
Hawaii	33	
Indiana	31	
Oregon	24	
Wisconsin	23	
Minnesota	22	
Kentucky	19	
South Carolina	17	
Alabama	17	
Oklahoma	15	
Nevada	14	
Rhode Island	13	
Delaware	11	
Tennessee	11	
Utah	60	
Other States (12)		
Total	10,050	

HOUSE CONCURRENT RESOLUTION 136

HON. OLYMPIA J. SNOWE

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Ms. SNOWE. Mr. Speaker, on May 2, my colleague from Maine, Congressman MCKERNAN, introduced important legislation, House Concurrent Resolution 136, expressing the sense of Congress that the President should augment efforts to resolve trade differences with Canada, with the objective of securing agreements with Canada that would permit fair competition. As the State of Maine has long suffered on account of the unfair Canadian Federal and provincial government subsidies which have supported its potato, fishing, and lumber industries, I strongly support the intent of this legislation, and I urge my colleagues in the House to join me in cosponsoring this important legislation.

Canada and the United States must take steps to meet the objectives stated by President Reagan and Canadian Prime Minister Mulroney at the conclusion of their March 18 meeting in Ottawa in which they agreed to work to reduce existing trade impediments. It is important to remember that trade between Canada and the

United States is important to both nations' economies and provides millions of jobs on both sides of the border. But if our trade relationship is to be truly fair and open to free market conditions, we have to recognize the unfair trade practices Canada now uses to give numerous agricultural, merchandise, and other industries unfair advantages against U.S. producers. Individual industries seem to be purposely forgotten when trade relations are discussed. But here is a perfect example of a bilateral trade relationship which requires serious negotiating on issues of concern to specific industries. Until this is done, and Canada adjusts its trade practices to restore fair trade conditions with competing U.S. industries, Mr. Reagan and Mr. Mulroney will not have met their own objectives to improve trade conditions. It is important that Congress stand behind the principles of fair trade and demand that progress be made to allow U.S. agricultural and merchandise industries, now being hampered by subsidized Canadian imports, an opportunity to compete equally in our own markets with Canadian imports.

Three traditional industries in the State of Maine, the fishing, potato, and lumber industries, are being crippled every day on account of subsidized Canadian imported products undercutting our own competitively priced products in the U.S. marketplace. Maine's potato, fishing, and lumber industries are fighting an uphill and unfair battle against their subsidized Canadian competition. I will give a brief synopsis of the current situation for each of these industries.

Our fishing industry faces a difficult problem with Canadian subsidies. The impact of Canadian imported fish products on northeast markets has been estimated at \$200 million annually. Last December, the International Trade Commission released an industry-requested factfinding study on the market conditions for the Canadian and U.S. groundfish industries. This study reports that Canada provides considerable support to its industry through vessel construction assistance, price supports, fuel and equipment assistance, market promotion, and other programs. In 1982, the Canadian foreign ministries office published the infamous Kirby Report, which concisely documents Canada's overall effort to nationalize its east coast fisheries. Maine and other New England fishermen get minimal assistance from the U.S. Government. In sum, Canadian subsidies are providing marketers of imported Canadian fish products with a considerable market advantage, a situation which is both intolerable and unfair to New England fishermen. The industry-composed North Atlantic Fisheries Task Force, represented by New England fishermen, has recently

decided to pursue a countervailing case to seek a remedy for this unfair situation.

Maine's potato industry is being crippled by heavy volumes of potatoes imported from Canada's northeast provinces. There has been a 400-percent increase since 1978 in the volume of these potatoes being sold at below market rates on account of government subsidies. A 1983 Department of Commerce study found Canadian imported round white potatoes to be selling at 36 percent below fair market value as a result of subsidies. In December 1983, the International Trade Commission ruled against Maine's petition. To summarize the ITC's findings, while subsidies exist, the ITC found no evidence of material injury as a direct result of the imports. The Maine Potato Council appealed the ITC's decision, and this case is pending before the International Court of Trade. There are several obvious problems with the ITC's conclusion, but I will raise just a few: In the first place, no acknowledgement was made to account for the fact that Canada reduced its imports by 40 percent during the year leading up to the ITC's decision. Second, the ITC compared Canadian and U.S. potatoes being sold in our Northeast markets that differed in both size and quality, thereby creating a comparison for the two countries' potatoes somewhat akin to comparing apples and oranges.

The ITC did point out that Maine's industry suffered from internal quality problems. Our potato industry has made great efforts to upgrade its quality, and the results are positive for both production and marketing. The State's certified seed requirements, its 2-inch minimum standard, and the Maine Bag Program are three examples of successful industry improvement efforts. Steps such as these and the ongoing refurbishing of Aroostook County's processing plants illustrate the industry's commitment to compete aggressively.

Maine's lumber and wood products companies are struggling to stay in business against cheaper, subsidized products from Canada, which have captured 79 percent of New England's market. The Canadian Government owns 95 percent of the commercial timber. This lumber is being sold to Canadian firms at stumpage rates far below cost. This situation has become unbearable in areas across the country where numerous wood products firms are laying off thousands of workers. In the Northeast, the situation is particularly grim. More than 75 percent of all the lumber sold in the Northeast comes from Canada. In Maine, we have lost over one-fourth of the State's lumber companies in recent years, and more companies are faced with the same fate in the weeks and months ahead. What is particularly

disappointing about this situation is that despite the natural competitive advantages these Maine firms now enjoy because of market proximity, these companies are finding they can't compete for sales in their own towns with cheaper Canadian wood prices.

I urge my colleagues to join Congressman McKERNAN in support of this resolution as a constructive and necessary declaration that progress in trade is serious business which requires concerted negotiations. This resolution requests that the President pursue negotiations to reduce existing trade impediments with Canada in general and specific areas, and that he report to Congress by March 18, 1986, marking a full year since his meeting in Ottawa with Canadian Prime Minister Mulroney.

Maine's affected industries are not alone in facing trade obstacles with Canada. This legislation is a measure which focuses on concerns that industries across the United States have with trade policies initiated by Canadian Federal and provincial governments. Clearly, a concerted review of issues affecting the many U.S. industries that are in an unfair trade situation with Canada will benefit both the United States and Canadian Governments as we move toward a free trade environment. If a truly free trade relationship is to be established between Canada and the United States in the future, existing unfair trade conditions for particular industries must be focused on in the months ahead. The United States-Canada trade relationship, as you know, is a healthy and friendly one which can only be strengthened through a continued exchange of each country's concerns.

I urge my colleagues to join me in cosponsoring House Concurrent Resolution 136.●

FOR A UNIVERSAL BANNING OF
CHEMICAL WEAPONS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. BONIOR of Michigan. Mr. Speaker, for the last 3 years, Congress has voted to delete funds for the production of new chemical weapons. These weapons have been called the "poor man's nuclear bomb." Like nuclear weapons, their effects on the civilian population are indiscriminate and devastating. But they are far easier to produce than nuclear weapons; their basic ingredients are similar to those found in fertilizers. In recent years, the Defense Department estimates that as many as 16 countries have acquired some form of chemical weapons.

For the last 16 years, the United States has upheld a moratorium on the production of new chemical weapons. At a time when the world is facing increasing dangers from the proliferation of chemical weapons, the United States must not abandon its clear leadership role in the effort to halt their spread.

I recommend to my colleagues the following article from the International Herald Tribune, which calls for a universal banning of chemical weapons production. As the article emphasizes, if the U.S. resumes production of these weapons, we will "remove what little moral leverage the industrialized countries have in persuading Third World countries not to use them."

I further urge my colleagues to support the bipartisan effort led by Mr. FASCELL and Mr. PORTER to prohibit the production of new lethal chemical weapons.

FOR A UNIVERSAL BANNING OF CHEMICAL WEAPONS

(By Jonathan Power)

LONDON.—Reports last month that Iraq was using chemical weapons in its war with Iran came as a U.S. presidential commission was touring Europe to assess opinion on whether the United States should build a new generation of nerve gas weapons.

The weapons in question are "binaries," shells with two nonlethal chemicals that become deadly only when they combine. Perhaps the U.S. interest in these weapons in recent years partly explains why Western governments have muted their criticism of Iraq.

This stands in contrast to the loud and persistent allegations against the Russians and North Vietnamese of using chemical weapons in Afghanistan and Indochina, allegations that now are discredited by many authorities.

Before last year it was thought that only the United States, the Soviet Union and France possessed stocks of chemical weapons. But in May 1984 the U.S. Defense Department said that it estimated that as many as 16 countries had acquired chemical weapons in recent years. Later that year the CIA said it had evidence of chemical weapons in the arsenals of Syria, Libya, Israel, Ethiopia, Burma, China, Taiwan, Cuba, Peru, Egypt, Iraq, Vietnam, North Korea and several East European countries. There were also reports of guerrillas of the Palestine Liberation Organization and the South-West Africa People's Organization receiving training in the use of chemical weapons.

The only incontrovertible evidence of their recent use is by Iraq. But there are serious reasons for thinking that longstanding inhibitions about the use of chemical weapons are beginning to erode.

Since World War I, chemical weapons have been used only when it was known the opposing side did not have the means to protect its troops. This was so when the Italians used nerve gas against the Ethiopians in 1935, and today in the Iran-Iraq war. This is likely to be the pattern for the future: Chemical weapons will be used mainly by Third World nations, as the poor man's nuclear weapon.

Is there any way to block this trend? It is difficult enough to control the trading in nuclear materials, but policing constraints on the raw materials for chemical weapons

is nearly impossible; the basic ingredients are similar to those used to make fertilizers. The only hope is an international treaty allowing on-site inspection.

This is why negotiations under way at Geneva to draft a treaty to outlaw the production, possession and use of chemical arms are critically important and why President Reagan's new attempt—his fourth—to win approval for "binaries" is to be regretted.

In 1969, President Richard Nixon announced a U.S. unilateral decision to destroy its stockpile of biological weapons—bombs filled with highly infectious fatal diseases. The reasons given included the unpredictability of biological weapons, their delay in causing an effect, the danger of causing large numbers of civilian casualties and, most important, the fact that these weapons "could not destroy the military arsenal—the tanks, planes and artillery—of an enemy." His gesture led to successful negotiations with the Russians and the signing of the biological weapons convention.

Although chemical weapons are not as frightening in their potential as biological weapons, they share many of the same problems—indiscriminate and unpredictable effects, high noncombatant casualties and a blurring of the distinction between conventional and nuclear warfare.

For the superpowers, they add nothing either to the concept of deterrence or to the ability to fight a successful war. Yet they remove what little moral leverage the industrialized countries have in persuading Third World countries not to use them. This should be reason enough to seek a universal ban.●

REVENUE SHARING

HON. PAUL E. KANJORSKI

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. KANJORSKI, Mr. Speaker, the administration has proposed the elimination of the Federal Revenue Sharing Program. Before we ax a program that has served our Nation well for over a decade I think it is important that we understand the implications of our actions.

The Federal Revenue Sharing Program is a program which has received bipartisan support since it was created during the Nixon administration. It has been popular because it has provided meaningful property relief to overburdened taxpayers. It is simple to administer, has low overhead, and has been rarely abused.

The revenue-sharing formula has benefited relatively low income but high tax effort areas like northeastern Pennsylvania.

I would like to share with my colleagues a table which starkly depicts the impact that eliminating the Revenue Sharing Program would have on the 11th Congressional District of Pennsylvania.

This table shows the initial allocation that every town, city, borough, and county in the 11th District will receive under the Federal Revenue

Sharing Program in fiscal year 1985—the initial allocation may differ from the amount actually received because it is adjusted for overpayments and underpayments in previous years. It also shows the proportion of each government's noneducation taxes that revenue sharing funds make up. This is the amount that each community will have to either raise noneducation taxes or cut noneducation spending if Federal revenue sharing is eliminated.

If revenue sharing is eliminated, towns, cities, boroughs, and counties in the 11th Congressional District of Pennsylvania will lose more than \$10.1 million in Federal aid that currently makes up 16.7 percent of their non-education revenues. Some smaller communities will lose as much as a third of their noneducation revenues.

A survey by the Pennsylvania State Association of Boroughs, the Pennsylvania League of Cities, the Pennsylvania State Association of County Commissioners, the Pennsylvania State Association of Township Commissioners, and the Pennsylvania State Association of Township Supervisors, indicates that if Federal revenue-sharing funds were replaced by local funds raised through the local property tax it would require an 87 percent property tax increase in the towns, cities, and boroughs of the 11th District.

The table is arranged alphabetically by county.

Government	Fiscal year 1985 revenue sharing	Revenue sharing as percent of taxes
Carbon County	\$261,263	16.4
Bowmanstown Borough	10,181	17.5
East Penn Township	15,410	18.7
East Side Borough	3,427	18.2
Franklin Township	32,544	18.6
Jim Thorpe Borough	65,199	20.3
Kidder Township	24,236	11.2
Lausanne Township	1,400	15.7
Lehigh Township	10,271	22.0
Lehighon Borough	43,201	15.6
Lower Towamensing Township	20,240	18.2
Mahoning Township	39,115	15.7
Palmerston Borough	62,336	12.5
Parryville Borough	3,063	15.4
Penn Forest Township	21,384	14.1
Towamensing Township	17,318	15.1
Weatherly Borough	37,070	21.4
Weissport Borough	5,100	22.4
Columbia County	348,131	19.5
Beaver Township	6,416	24.4
Benton Borough	8,019	20.8
Benton Township	8,840	19.6
Berwick Borough	119,106	16.2
Bloomsburg Town	192,921	22.2
Briar Creek Borough	3,620	15.9
Briar Creek Township	25,406	20.8
Catawissa Borough	12,477	17.2
Catawissa Township	7,568	16.2
Centralia Borough	8,913	22.3
Cleveland Township	9,768	22.9
Conyngham Township	9,078	24.7
Fishing Creek Township	12,179	29.2
Franklin Township	5,757	23.8
Greenwood Township	15,753	30.9
Hemlock Township	14,506	16.5
Jackson Township	5,079	32.3
Lacust Township	13,572	21.5
Madison Township	12,058	26.4
Main Township	6,060	14.3
Mifflin Township	14,426	21.7
Millville Borough	6,061	17.8
Montour Township	10,359	18.4
Mount Pleasant Township	11,714	23.4
North Center Township	9,993	19.6
Orange Township	5,540	21.9
Orangeville Borough	6,920	28.3
Pine Township	7,638	29.0
Roaring Creek Township	6,265	28.9

Government	Fiscal year 1985 revenue sharing	Revenue sharing as percent of taxes
Scott Township	25,465	11.5
South Center Township	13,677	13.2
Stillwater Borough	1,189	19.0
Sugarloaf Township	4,697	18.2
Luzerne County	2,742,576	17.4
Ashley Borough	40,832	19.3
Avoca Borough	35,034	21.7
Bear Creek Township	20,169	14.8
Black Creek Township	12,878	19.5
Buck Township	2,475	19.3
Butler Township	37,883	20.7
Corryingham Borough	13,148	7.5
Corryingham Township	9,617	17.4
Courtale Borough	8,151	19.7
Dallas Borough	18,136	9.6
Dallas Township	39,421	11.1
Dennison Township	3,786	15.2
Dorrance Township	14,839	20.3
Dupont Borough	22,245	17.8
Duryea Borough	42,465	17.1
Edwardsville Borough	97,056	18.9
Exeter Borough	41,940	21.2
Exeter Township	16,158	18.4
Fairmount Township	8,948	23.1
Fairview Township	15,791	8.8
Forty Fort Borough	52,594	12.3
Foster Township	27,948	23.2
Franklin Township	8,915	15.8
Freeland Borough	40,600	17.1
Hanover Township	164,485	18.9
Harveys Lake Borough	28,477	15.5
Hazle Township	107,018	18.4
Hazleton City	334,321	15.1
Hollenback Township	11,004	25.2
Hughestown Borough	15,506	18.2
Hunlock Township	18,383	23.1
Huntington Township	17,286	23.1
Jackson Township	21,188	19.0
Jeddo Borough	726	17.4
Jenkins Township	38,444	19.1
Kingston Borough	187,497	10.5
Kingston Township	74,577	14.3
Lafin Borough	8,864	8.0
Lake Township	16,524	22.8
Larksville Borough	43,071	19.6
Laurel Run Borough	4,412	18.1
Lehman Township	21,562	14.9
Luzerne Borough	32,571	21.0
Nanticoke City	158,959	19.4
Nescopeck Borough	19,628	16.4
Nescopeck Township	10,192	25.7
New Columbus Borough	1,029	14.3
Newport Township	52,775	21.3
Nuangola Borough	7,059	14.7
Penn Lake Park Borough	1,784	11.1
Pittston City	95,882	20.0
Pittston Township	36,329	18.7
Plains Township	176,649	17.4
Plymouth Borough	83,314	19.4
Plymouth Township	19,250	18.8
Pringle Borough	9,556	17.9
Rice Township	13,947	19.9
Ross Township	15,656	21.5
Salem Township	52,363	16.5
Shickshinny Borough	11,755	19.3
Slocum Township	6,075	21.6
Sugar Notch Borough	9,033	16.1
Sugarloaf Township	24,670	14.4
Swoyersville Borough	42,210	16.6
Union Township	12,223	21.4
Warrior Run Borough	7,467	22.7
West Hazleton Borough	88,093	18.1
West Pittston Borough	51,916	16.8
West Wyoming Borough	27,197	18.9
White Haven Borough	12,167	12.8
Wilkes-Barre City	1,354,154	13.7
Wilkes-Barre Township	91,019	16.8
Wright Township	40,958	13.8
Wyoming Borough	27,804	14.2
Yatesville Borough	4,861	15.8
Monroe County	120,840	13.9
Barrett Township	41,783	12.8
Coolbaugh Township	42,929	16.1
Mount Pocono Borough	19,893	10.3
Tobyhanna Township	56,100	14.1
Montour County	95,940	14.6
Anthony Township	9,255	20.6
Cooper Township	3,876	10.6
Danville Borough	50,885	14.7
Derry Township	8,305	20.5
Liberty Township	10,681	17.7
Limestone Township	7,183	19.6
Mahoning Township	28,411	12.2
Mayberry Township	1,436	20.1
Valley Township	11,613	12.5
Washingtonville Borough	1,277	12.5
West Hemlock Township	1,831	14.5
Northumberland County	262,889	20.2
Ashland Borough	115	19.4
Coal Township	148,757	23.5
East Cameron Township	5,080	25.5
Kulpmont Borough	32,105	20.7
Marion Heights Borough	6,877	23.0
Mount Carmel Borough	84,222	20.8
Mount Carmel Township	35,243	25.0

Government	Fiscal year 1985 revenue sharing	Revenue sharing as percent of taxes
Shamokin City	179,045	24.0
Sullivan County	74,599	22.6
Cherry Township	12,735	17.4
Colley Township	9,509	32.1
Dawson Township	3,897	20.5
Dushore Borough	15,035	25.5
Eagles Mere Borough	4,329	11.2
Elkland Township	6,198	29.9
Forks Township	6,171	34.9
Forkville Borough	1,352	37.3
Fox Township	2,199	16.6
Hills Grove Township	1,810	23.6
Laporte Borough	3,686	18.0
Laporte Township	1,981	18.2
Shrewsbury Township	1,664	13.2
Total	10,129,160	

LARSON TURNS PENNDOT AROUND
HON. BUD SHUSTER
 OF PENNSYLVANIA
 IN THE HOUSE OF REPRESENTATIVES
 Tuesday, May 7, 1985

● Mr. SHUSTER. Mr. Speaker, following is an Associated Press article of May 6, 1985, which quotes accurately reports on the tremendous job done by the Pennsylvania secretary of transportation, Thomas Larson, in turning his transportation department into one of the best in the Nation. I commend it to by colleagues:

[From the Bedford Gazette, May 6, 1985]

LARSON TURNS PENNDOT AROUND
 (By Rich Kirkpatrick)

HARRISBURG (AP).—Thomas Larson came here in 1979 with an academic's naivete about the high octane politics that fueled Pennsylvania's Transportation Department.

Six years later, the civil engineering professor from Pennsylvania State University has fashioned a national reputation for turning around a department once scorned as a patronage paradise with a motorists' be damned attitude.

As transportation secretary, Larson demolished a decades-old county maintenance system that served more as party fundraiser than pothole fixer; helped convince the Legislature to give the department over \$1 billion in new funds; and brought modern management techniques and stability to the badly reeling agency.

"We survived a lot of challenges and have come to be recognized and at least accepted as a responsible agency, given where we were in 1978 and 1979," Larson said in an interview.

For his efforts, Larson was recognized by a national engineering magazine as its engineering man of the year in 1983.

Created in 1970 from remnants of the highway department and other agencies, PennDOT suffered through a first decade of dizzying management turnover, soaring debt, and sinking revenues.

In 1974, Republican lawmakers brought people before a House special committee to relate tales of how they were forced to make political contributions in return for maintenance contracts in PennDOT county districts.

Highway maintenance skidded, new construction stopped and federal funds went elsewhere. A favorite pastime for Pennsylva-

nians was trading pothole stories and despairing of the state as the pothole capital of the world.

Republican Gov. Dick Thornburgh, who has won election in 1978 on an anticorruption theme, tapped Larson, who had served since the late 1960s as chairman of a transportation advisory committee. Larson was well known for his reports detailing where the agency had gone astray.

That vantage point was one advantage Larson had, said one of his former top deputies. James Scheiner, a management expert Larson hired from private industry.

"It was rare for someone to come into the job and know where to take it from the first day," said Scheiner, now Pennsylvania's revenue secretary.

Scheiner said Larson brought an intensity and unswerving sense of direction to the job and expected the same from his deputies and the whole department.

"It was spirited," said Scheiner, a West Point graduate. "When you went to work in the morning, you knew you had a good solid 12 hour day ahead of you."

Larson recruited his deputies from private industry or other agencies around the country.

Following the Thornburgh administration's "more with less" policies, Larson lopped off 2,500 employees, or 15 percent of the workforce, in his six years as secretary. The \$219.2 million in savings, coupled with matching federal funds, meant a potential extra \$1 billion for highway construction, he said.

Inside the department, "the change was dramatic," said Lee Bowser, who was with the department from 1973 until December 1984.

Managers were made accountable and goals were set and met, said Bowser, who was Larson's director for strategic planning before leaving for a job in private industry.

Maintenance cycles were developed, so highways would be resurfaced at least once every seven years and between 5,000 and 7,000 miles of the state's 44,000 mile system would be treated each year. Also, a bridge program was started, with 300 to 400 being renovated each year.

The department, saddled with a huge debt that consumed about 20 percent of revenues when Larson took over, shifted to pay-as-you-go on new construction. It was able to maintain enough of a program that it ranks near the top in use of federal matching funds.

Under Larson, the department invested heavily in computers so managers would have up-to-date information on the agency's \$160 million-a-month cash flow and multi-million dollar inventory of road materials.

The department is now in the midst of a \$10 million program to upgrade computer systems in the division that handles drivers' licenses and registrations.

Although the public may not see a difference, the changes will reduce costs 25 percent and within two years after installation pay for themselves, Larson said.

Bowser described Larson as a risk taker who tried different approaches, discarded the ones that didn't work and built the ones that did into the system. Larson was also without pretense.

"He was always straight with you," Bowser said. "We're all very proud of our association (with the department)."

Larson said the change can be measured simply in the drop off of complaints coming into lawmakers. Rarely does his phone ring

anymore with an irate legislator on the other end, he said.

"Rebuilding the public trust . . . is the single thing I feel best about," he said.

The secretary, 56, who stands 6-foot-one, rides horses on weekends at his home in rural Lamont, Centre County, once built a log cabin himself and skis with abandon, is not without his critics.

One western Pennsylvania lawmaker, Rep. Charles Laughlin, said he found Larson's management team obstinate and unyielding when he tried to convince them of what Laughlin felt were inequities in a maintenance funding formula.

"They'd rather study and examine the problem for four years rather than admit a mistake," said the Beaver County Democrat.

In addition, Larson and the department were heatedly criticized for using an "oil and chip" method for road resurfacing. Larson said there were some problems initially, but the department has since learned how to do the job better. Without the method, PennDOT could not afford to keep up with its sprawling highway system, he said.

In his first months on the job, Larson said, he was unprepared for the political maelstrom that PennDOT secretaries had come to expect.

He said he came to the job as an academic snob and didn't know how to respond to political attacks, which he often mistook for personal criticism.

"I took everything dead serious. It was very threatening," he said. "Now, I would shrug it off."

More so, he has come to respect the political system, and while it may continue to frustrate him at times, he said, "I will leave office feeling that Pennsylvania has been well served by the General Assembly in the years I've been here."

As the Thornburgh administration passes through its last two years, Larson talks about "winning in the fourth quarter."

However, a couple of obstacles loom—finding a replacement for a \$200 million truck tax ruled unconstitutional, finishing the long overdue rebuilding of the Schuylkill Expressway, Philadelphia's Key highway, and closing gaps in the state's interstate highway network.

As for himself, Larson expects eventually to return to Penn State, from which he has been on leave. But rather than resuming a career as a classroom instructor, he wants to put his experience to work advising other public agencies on good management.

"I'm not looking to a big let down," he said. ●

VETERANS HEALTH CARE
BUDGET CANNOT BE REDUCED
FURTHER

HON. G. V. (SONNY) MONTGOMERY

OF MISSISSIPPI

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. MONTGOMERY. Mr. Speaker, within the next few weeks, the House and Senate will be making major decisions 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 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 Washington, DC:

VETERANS' ADMINISTRATION,
MEDICAL CENTER,

Washington, DC, January 28, 1985.

HOWARD H. GREEN, M.D.,
Chief of Staff (11), President, NAVACOS,
White River Junction VA Medical
Center, White River Junction, VT.

DEAR HOWARD: The following is provided in response to your letter of January 2, 1985 which just arrived.

a. Washington, D.C. VA Medical Center, 708 acute medical, surgical and psychiatric beds, 120 nursing home beds (to open March, 1985).

b. Affiliated with Georgetown University School of Medicine, George Washington University School of Medicine and Health Sciences and Howard University School of Medicine.

c. Projected dollar deficit as of January 1, 1985:

1. Personnel—Since funding is always provided in the initial budget to cover the budgeted FTE, this funding appears adequate unless we are not funded fully for the January 1, 1985 pay raise. Funds had to be taken from the "all other" accounts to cover the deficit in the personnel account.

2. All Other—For the last 3-4 years, we have run an annual deficit of 1 to 1.5 million dollars for which we have been "bailed out" by Central Office during the 3rd and 4th quarters. Last year it ran 1.5 million dollars.

One of the reasons for this was that in 1971, we were instructed to initiate an open heart surgery program by VACO and that funding would follow. We are still waiting. Last year we performed 122 open heart surgeries and received \$300,000 in non-recurring funds (without FTE) which went into decreasing the deficit. Our actual cost per case is about \$13,000 (personnel + all other) which interestingly matches our deficit (\$13,000x122=\$1,586,000.)

This November, our cardiac surgeon quit because she felt that we had not adequately supported the program (and we hadn't).

d. Impact of dollar deficit:

1. Personnel—Although most services are understaffed by any reasonable criteria, funding has been transferred from "all other" to cover any anticipated deficits.

2. All other—Each of the control points has been funded at less than they will need to get through the year. If our usual "bail-out" monies aren't made available in the last two quarters, we would not only have to drastically curtail services but could not help but be antideficit. We have had to use equipment money to cover the deficits in the first two quarters and this delays purchase of much needed equipment. Ultimately, monies targeted for equipment have to be spent on equipment.

3. Equipment—One of this medical center's major problems is the need to replace obsolete equipment. This medical center was opened in 1965. Almost all of the equipment in Radiology and Nuclear Medicine Services has reached the point where it badly needs to be replaced. We have had the need for replacement of our radiologic special procedures laboratory (estimated cost \$1.2 million) as the top unfunded needs priority over \$150,000 for over 3 years in this medical district. Each year we send out over \$100,000 in procedures because existing equipment is inadequate and unsafe. The malpractice risk in continuing to use the equipment is staggering. The Director, Radiology Service, VACO and Regional Director acknowledge the critical need for replacement. The monitoring equipment in our SICU is now 9 years old and is unreliable. These are the most critical areas but the list could be expanded.

4. Backlog of patient surgery—The biggest surgical backlogs are in General Surgery (56 cases) and Urology (35 cases) where the waiting time is 3-4 months for elective cases. There are shorter waiting lists in Vascular Surgery, Thoracic Surgery, Orthopedic Surgery and Neurosurgery where the waits are 1-2 months. Ophthalmology, Otorhinolaryngology and Plastic Surgery are current and have no waiting lists.

e. I have attached a report from Pharmacy Service provided to the Resources Committee which speaks for itself. Pharmacy costs have been increasing at the rate of 10-15% per year. Last year, we instituted a number of cost containment actions such as eliminating the more expensive antibiotics from the formulary, sharply curtailing availability of other expensive antibiotics, establishing maximum dosages for certain antibiotics and non-steroidal anti-inflammatory agents, and monitoring closely all non-formulary requests. Last year, the rate of increase over the previous year was only 6.4% and estimated for this year as 7.8% suggesting these efforts are having some impact. This is occurring despite the fact that our actual outpatient visits are 36% above the planned visits for the first quarter.

f. Other comments:

1. I continue to have concerns about the DRG resource allocation methodology and how it deals with those patients referred from other medical centers for highly specialized care. For example, we recently had a patient with acute myelomonocytic leukemia referred here from Philadelphia VAMC. He had constant fevers and in his 83 days here, there were 180 cultures, 60 chest x-rays, 27 thoracenteses, etc. He received 13 separate antibiotics and expensive chemotherapy. He used \$26,000 in platelets alone. We plan to run up both a list of actual expenses and a "mock" bill to make the point but his case, I'm sure, will exceed \$100,000. The DRG allows us \$3,500 for his care. We also are a national referral center for patients with ventricular arrhythmias. The DRG's do not begin to cover the expenses generated in caring for these patients.

2. The biggest problem that I have to deal with has been created by the Office of Academic Affairs. They have been annually whittling away at the resident staffing at this hospital creating major conflicts among the 3 affiliated medical schools as to who will lose the positions. This next year, we lose an additional 4 medicine positions (2 general medicine, 2 subspecialty). Since all the subspecialty positions had already been committed, this means a loss of 4 general

medicine positions for this year at least. The admissions function had been covered by 6 general medicine residents but with the loss of these 4 positions plus that many more over the last 2 or 3 previous years. I have been told by the Chief, Medical Service, he can no longer cover the admissions function with the staff he has. Several options explored, including rotation of all residents on an equal basis, have all been felt to be very disruptive and unsatisfactory.

I hope this provides some useful information.

Sincerely,

ROBERT D. LINDEMAN, M.D.,
Chief of Staff. ●

BILL SEEKING RESTITUTION FOR ALASKA NATIVE CITIZENS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. YOUNG of Alaska. Mr. Speaker, I am introducing legislation today which will help to correct an injustice which was committed by the Federal Government against Alaska Native citizens during World War II. This bill will serve to provide restitution to Aleut citizens of the United States for personal property losses and physical hardship suffered while interned in temporary camps during the war. In addition, the legislation would provide compensation for certain community property losses and authorize the removal of hazardous debris and ammunition remaining in populated areas. It is identical in content to provisions of companion legislation introduced in the other body by my colleagues in the Alaska congressional delegation and is intended to implement the recommendations of the Commission on Wartime Relocation with regard to Alaska Natives.

Mr. Speaker, as the Members of this Chamber well know, World War II marked a difficult and dangerous time in the history of our Nation. It was only through the valiant sacrifices of men and women throughout the country that we were able to prevail in wars on two fronts which we did not choose to begin. In no way is this legislation intended to diminish the contributions of American soldiers and sailors whose sacrifices allowed us to win the war, but it is from respect for freedom and liberty, which they helped preserve, that our Government should repay citizens for property forcibly taken during the war.

To ignore this obligation is to allow a government to arbitrarily deprive individuals of their rights as citizens.

The circumstances surrounding the invasion of two islands on the Aleutian chain and the necessity to evacuate residents of a large number of villages on the islands are a matter of history for most Americans. However, for the individuals who were interned, as well

as for those who lost family members who did not survive the long period in the camps, this time was one of permanent sorrow and loss. These losses were made even greater by the failure of the Government to return property after the war. It is our duty to live up to this obligation. The obligation is not diminished with the passage of time.

No matter how hard this task is, I believe it is the obligation of a fair and just government to repay citizens for property taken by that government, even where the motive is to protect the Nation in time of war.

In order to meet this responsibility for Alaska Native citizens who were interned and relocated during the war, the Relocation Commission made several recommendations separate from those for Japanese-American citizens in other parts of the country. The recommendations formed the basis for the provisions of the legislation I have introduced to compensate residents of the Aleutian chain who were relocated and the survivors of those who died while interned.

The bill I am introducing was developed in consultation with the elders of the seven villages of the area, most of whom are survivors of the relocation camps. The bill has the strong support of those who suffered direct losses during the internment.

For the residents of Alaska who faced the unique situation of being the only U.S. territory invaded and occupied during the war, the relocation left many villages deserted and abandoned in an area with one of the harshest climates in the world. Residents forced to abandon their homes and property would return 3 years later with only the shells of homes remaining. The evacuation may have been justifiable due to the invasion of the islands. However, as I have stated, a government which takes property from innocent civilians, as well as liberty, should repay those citizens who acted only in good faith.

Mr. Speaker, we took the rights of the residents of the Aleutian chain detained during the war. In justice and fairness, I believe we should recognize those rights and provide compensation. I urge my colleagues to support this legislation. ●

**TISH SOMMERS, PRESIDENT
AND COFOUNDER THE OLDER
WOMEN'S LEAGUE**

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Ms. OAKAR. Mr. Speaker, 71 years ago, Congress called for a national celebration of Mother's Day. And, I cannot think of a better way to cele-

brate our mothers than to examine the ways in which we treat our older women.

Today, Tish Sommers, president of the Older Women's League, held a press conference at which she discussed President Reagan's budget proposal and its affect on the 15 million older women in our Nation. I would like to submit her statement for the RECORD and encourage all my colleagues to reflect upon her words as we remember our mothers.

The following is the statement of the Older Women's League:

**TISH SOMMERS, PRESIDENT AND COFOUNDER
THE OLDER WOMEN'S LEAGUE**

Good morning and, on behalf of the 13,000 members of OWL, "Happy Mother's Day!" It's been 71 years since Congress passed a joint resolution calling for a national celebration of Mother's Day. The event has come a long way in 71 years. Today, on the second Sunday in May, we tie up the telephone lines with over 20 million long-distance calls, send over 125 million greeting cards and untold floral arrangements and boxes of candy to our Mothers. That's fine, but unfortunately, the economic status of mothers has not made equal progress with the commercial value of their holiday. Around OWL, we have a saying: "For Men, They Created Retirement Plans, Medical Benefits, Profit Sharing and Gold Watches. For Women, They Created Mother's Day."

On Mother's Day, so the tradition goes, we wear carnations: white, in memory of deceased mothers, and red to honor living mothers. You will note the members of the Older Women's League are wearing their red carnations. We're wearing them because we want America to wake up and recognize the appalling conditions that confront many of our Nation's 15 million older women. We want America to look past the hearts and flowers into the real-life conditions of our living mothers.

This is not a pretty picture. Today, women constitute 71 percent of the elderly poor. Nearly 1 in 2 black women over 65 lives in poverty. In 1983, the median annual income, that is total money from all sources, received by women over 65 was \$5,600. Contrary to myths about overly generous pension plans and double dippers, only one older woman in five currently receives a pension—whether public or private, either as a spouse or as a retired employee. And even when women do receive pensions, miracle of miracles, the sum they receive is roughly half that for men—the monthly median in 1983 was only \$243.

The truth is most older women depend on Social Security as their only source of significant income. The truth is that older women in America experience aging differently than men. America's older women are poorer, live longer, and due to differences in marital status, tend to live alone. I recently saw a greeting card—it was a birthday card actually—that offered a few tips for aging in America: Better to do it somewhere else. Indeed, Margaret Mead once commented that the so-called civilized societies treat their elderly much worse than the "primitive" societies she had studied. I doubt that any of Ms. Mead's subjects would have been so double declining as to hand his mother a bouquet as he exiled her from the tribe.

For that is exactly what we are doing today in America—we are engaged in an economic exile of 5 million elderly women. In which we will ensure their isolation in poverty and obscurity. Proposals to reduce or freeze the Social Security COLA would push an estimated half a million more older persons, most of them women, below the poverty level. Cutting low cost senior housing will force many more into the army of homeless people on the streets. Increasing the amount Medicare beneficiaries will pay for health care and decreasing Federal monies available to States for Medicaid will mean that more older mothers will have to choose between food and medicine, between a doctor visit and paying the utilities bill.

Do mothers and grandmothers who have raised this Nation and who have sacrificed their personal interest to do so, deserve to be the targets of cuts when their job is done? Is this fair, when military expenses continue to grow, beyond reason and inflation?

Well, we won't have it. Mother's Day is our day, they've given it to us and we intend to use it. Older women of America, seize the day and drive your message home. We invite you to join us in taking our message to the Halls of Congress and even to the President of these United States. He too had a mother.

"Your mother didn't bring you up so you could let other mothers down" is our message to Congress this Mother's Day. With one in six older women living in poverty and many of the rest on the edge, women need more than flowers, candy and sweet sentiments.

Today we are hand delivering Mother's Day cards to all of our Congresspersons, and our members across the country are mailing them to their own legislators with their personal messages. Seventy-one years ago Congress passed a resolution creating a day to honor mothers. Seventy one years later we're asking Congress to make good on that promise. We are asking Congress to show that society truly cares about the well being of the Nation's mothers. Let's make this a "Happy Mother's Day" in a very practical way, by matching word to deed.

Now I'd like to introduce an OWL Member and a mother, Elsie Frank, who will help us kick off this Mother's Day campaign by making a special presentation to her son, Representative Barney Frank from Massachusetts. All I wish to say to you, Elsie, is, judging from Barney's voting record on aging issues, you did a good job.●

THE SANDINISTA GOVERNMENT HAS CENSORED NICARAGUA'S PRESS

HON. BOB LIVINGSTON

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. LIVINGSTON. Mr. Speaker, on April 15, 1985, I traveled to Managua, Nicaragua, with several of my colleagues on the House Permanent Select Committee on Intelligence. I spoke personally with Mr. Jaime Chamorro, the editor of Nicaragua's only independent newspaper, La Prensa, which has been repeatedly harassed and censored by the Sandinista government.

Mr. Chamorro presented me with documentation of this ongoing human rights abuse, and I would like to share it with my colleagues in the House. It is entitled "Brief History Related to Temporary Closeouts, Censorings, Hostilities and Threats Against Those Working for La Prensa" and was prepared in December 1984.

Some of the more flagrant abuses documented in the report include total censorship of the letter from Pope John II to the Nicaraguan bishops and a blackout of all news pertaining to the candidates who opposed Commandante Daniel Ortega in last November's presidential election. The report also notes that La Prensa was closed down on five different occasions between July and October 1981, and was not able to circulate on 27 different occasions because of prior censorship.

I hope everyone will read the entire text of the report, which follows, and consider just how terrible Sandinista policy really is. We should try to imagine how we would feel if we woke up tomorrow to find whole sections of the morning paper blacked out. Without a free press there can be no free society.

This is such a serious problem in Nicaragua that I urge all human rights groups, church groups, and private citizens to speak out against it at every opportunity. Let the Sandinistas know that our own first amendment is used not only to question American policy, but to criticize Sandinista policy as well.

The text of the La Prensa report follows:

BRIEF HISTORY RELATED TO TEMPORARY CLOSEOUTS, CENSORINGS, HOSTILITIES AND THREATS AGAINST THOSE WORKING FOR LA PRENSA AT MANAGUA, NICARAGUA

Since the victory of the Revolution on July 19, 1979, the newspaper La Prensa of Managua, Nicaragua, has been subjected to hostilities, persecution, censoring, in different forms of mayor or lesser degree depending on the political circumstances into which the Sandinist Revolution has been evolving.

Since the early days after La Prensa reappeared on August 16, 1979 with a line of critical backing of the Revolution and with a high degree of independence, the commanders of the Revolution showed themselves highly critical and hostile in their speeches against La Prensa for publishing critics against the government. The overall effect of these speeches was contrary to the expected intentions of the commandants, as the more they criticized us the higher the circulation of the newspaper went, showing that the people had a great need of an independent and critical media of communications.

In the presence of this independence the Sandinist government tried on April 1980 to destroy La Prensa from the inside, by instigating the workers union of La Prensa to take over the physical installations of the newspaper and demanding at the same time the appointment of the Ing. Xavier Chamorro C. as the sole Director and giving him all the power to make of La Prensa a newspaper totally pro-sandinista.

As the Board of Directors refused to abide, the Sandinist promoted the foundation of El Nuevo Diario thinking that La Prensa was not going to have the backing of the people and consequently would tend to disappear. Realities have been totally different, since El Nuevo Diario in spite of having been formed with 70 percent of the former personnel did not get the backing of the readers and La Prensa almost duplicated its circulation on staying totally independent and being able to be even more critical.

From this conflict on the strategies used against La Prensa have changed in different ways, like temporary close outs; intimidation of its main officials and to the owners of distribution agencies by using the mobs and making threats; by prohibiting state controlled institutions to make advertising contracts with La Prensa; by not authorizing the necessary foreign currency for imports of raw materials; by censoring news materials, even news already published by official newspaper to be published; delays in the approval of the material subject to censoring, arriving to the highest percentage of delay of seven daily hours during the time of stronger hostilities.

We present hereinafter a brief summary of hostilities imposed upon us.

(a) Previous censoring: Since March 16, 1982 when the State of Emergency was put into effect we have suffered previous censoring of all news material, even advertising. The sternness put on by the censoring agent has had ups downs according to the political aspect of the moment; what has stayed more or less constant has been the time taken by the Media Communications Director employee to check the news material.

We present hereinafter a chart of percentages of monthly censoring suffered by La Prensa during the months from February until November 1984. Percentages are based on the total amount-of-inches of text writings, photographs, photograph foot writing, and titles that they censored from the closing pages, (first, last and fifth pages).

Month	Censored percentage	Time taken for censoring (hours)
February	23.09	3.02
March	19.30	3.04
April	27.95	3.05
May	30.57	3.07
June	25.77	3.24
July (before the 19th.)	45.26	3.43
July (after the 19th.)	6.75	2.57
August	18.80	2.46
September	11.56	3.05
October	15.85	2.56
November	29.37	3.19

(b) Temporary Close Outs: Between July and October 1981, the newspaper La Prensa was closed during five different occasions by order of the Media Communications Direction; each close out during two editions except the third one on August 19 which lasted for three editions; all these close out with the exception of one, in which La Prensa was given 24 hours to prove the truthfulness of a third party's interview, were imposed without the right of defense and without any previous trial or proof presentations.

As a consequence of previous censoring, La Prensa has not been able to circulate on 27 different occasions (see adendum No. 1), two by order of the Media Communications Direction and the other 25 on its own deci-

sion, due to excessive censoring or in protest because of the importance of the news material censored, as it happened when we were not allowed to publish the letter of Pope John II addressed to the Nicaragua Bishops. The last two times we were not able to circulate was on August 6 and October 22, 1984, in which editions all photographs, news chronicles and speeches by the leaders of La Coordinadora Democrática, Dr. Arturo Cruz and Adán Fletes, in Matagalpa and Chinandega were censored, and the withdrawal of the Liberal Party of the electoral campaign that also was heavily censored, on October 22.

(c) The Mobs and the Close Out of Agencies: The mobs have become hostile with the installations of La Prensa in several occasions, the homes of its main officials, like Mrs. Violeta Chamorro, Jaime Chamorro, Pedro J. Chamorro, Carlos Holmann, Mrs. Margarita Chamorro, an old woman of 84 years age and mother of Pedro Joaquin Chamorro C., the Marthyr of Public Freedom.

Distributing agents have also become victims to the mobs, having suffered threats of putting their homes and business places on fire if they continued selling La Prensa. As consequence to this 20 of 150 Agencies distributing La Prensa in all the country, have been forced to close due to hostilities and four others have changed owners because the previous one were frightened of going on with so many risks.

(d) Attacks to other Officials: Other officials have been subjected to hostilities with letterings on their houses with the result that 20% of the employees and workers at La Prensa have resigned, the majority of them, to abandon the country.

One of our editors Horacio Ruiz Solis was kidnapped, beaten and left unconscious, his car was stolen and police authorities have not been able to discover the assailants, nor the whereabouts of the car that has never been able to recover.

Our reporter Luis Mora Sanchez suffered several months of jail imprisonment just for being a reporter for Radio Impacto from Costa Rica and lately accused of having connections with the counter revolutionaries. According to his account, he was tortured in order to force him to make slanderous statements against La Prensa and its Directors in a video-tape that was run through the Sandinist's T. V. Station. So too, the photographer of La Prensa, Jorge Ortega Rayo was imprisoned for several months, both were tried by Courts of Exceptions, found guilty and ultimately pardoned.

(e) Economic Pressures: During the year 1982 and part of 1983, La Prensa was denied the necessary foreign exchange to import raw materials. The government has a strict control on foreign currency. La Prensa was able to subsist through loans (in dollars payable in cordobas) and some grants, especially from Venezuela's Private Enterprise, from Germany and the U.S.A. that were duly registered at the Central Bank of Nicaragua.

By the end of 1983 when the above aids became depleted and due to the government through the Ministry of the Interior, Commander Tomas Borge, promised to furnish the necessary foreign exchange so that we could keep publishing the newspaper. This promise has been kept in part, as in spite of haring, on our part, deposited the corresponding previous deposit in cordobas, we have not been able to obtain the necessary dollars, having not been able to pay some of our suppliers, and they on their part are re-

fusing to deliver our new orders. We believe that delay in paying is due to the nation's scarcity of foreign currency and that it is not the cause of hostilities against La Prensa.

Nowadays news paper is being supplied by the government payable in national currency, but the only problem that we have related to news paper, are those of the last two orders that we bought directly abroad and that we have not been able to pay due to the above mentioned explanations.

We have been able to verify that the government has directed all state controlled enterprises not to advertise in La Prensa.

This measure has not affected us because of the page limitation, (by law we can only publish 12 pages for each edition), La Prensa has its daily advertising cuota totally filled up, but we believe this measure to be discriminating.

We have also been able to verify that the Ministry of Culture through the Association of Sandinist Workers for Culture, has prohibited its associates to publish any poems or literary compositions in La Prensa Literaria.

Besides the above described hostilities we have suffered threats voices by the commandants in their speeches or through the different media, like the one where Commander Humberto Ortega, Minister of Defensa said, that when the invasion became a reality they were going to hang us all from the trees; or when Barricada and Radio Sandino said, that to those people in La Prensa we are going to peel their skins off, or that they did not see how we could save ourselves from a lost bullet penetrating our heads. Furthermore we are always getting through the telephone frequent threats and also through private couriers telling us that too many of us working for La Prensa, our names were listed in some kind of a list. . . .

(f) Confiscations: On August 29, 1984 the Total edition of La Prensa destined to the western part of the country (namely Leon, Chinandega, Chichigalpa, Corinto), etc., was confiscated at the city of Leon on behalf of the National Security Police, and they did not give any explanation whatsoever. This edition was previously censored, for up to this date we still do not know what was the reason behind this confiscation.

ADDENDUM NO. 1—CONTROL OF THE DAYS THAT THE NEWSPAPER "LA PRENSA" HAS NOT CIRCULATED BY DISPOSITION OF THE MEDIA COMMUNICATIONS DIRECTION OR BECAUSE EXCESSIVE CENSORING MADE IT IMPOSSIBLE TO DO SO, ALL SINCE THE PROMULGATION OF THE STATE OF EMERGENCY GOING INTO EFFECT ON MARCH 15, 1982—DATE AND MOTIVE

1982

(1.) March 24—Excessive censoring by MCD.

(2.) March 28—Main news censored: Elections in El Salvador.

(3.) August 9—Excessive censoring by MCD.

(4.) August 11—Main news censored: Attack of the People's Organizations to Catholic Priest Bismarck Carballo, defense by LA PRENSA.

(5.) August 12—Main news censored: Pronouncement by the Cuia Bar, in the case of Priest Carballo.

(6.) November 18—Excessive censoring by MCD.

(7.) November 24—Main news censored: Report of OLP from Moscow.

1983

(8.) May 3—Excessive censoring by MCD.

(9.) July 12—Excessive censoring by MCD.

(10.) August 12—Main news censored: Denial of Salary Raise: (excessively censored).

(11.) August 14—Close out ordered by the Ministry of the Interior for having published the day before a protest against the stoning of Mrs. Violeta Chamorro carried on by the mobs of the People's Organizations.

(12.) August 23—Main news censored: Pronouncement from the Vatican Embassy.

(13.) August 31—Main news censored: Letter on the Patriotic Military Service (Forced).

(14.) October 4—Excessive censoring.

(15.) October 5—In protest for censoring the answer from LA PRENSA on the communication.

(16.) November 2—Excessive censoring, Curia Bar protest for the happenings of the previous Sunday. Mobs in several churches.

1984

(17.) January 27—Excessive censoring, also the prohibition from MCD of the news on Dr. Arturo Cruz's declarations, and the Announcement from The Bishop's Conference in the case of the High School LA SALLE.

(18.) February 1—Excessive censoring. Late resolution. Among censored news were: The case of Bernardino Larios, LA SALLE Editorial, they decided to step back the order of suspension of elections, which was the main news.

(19.) March 22—Defense by PJCHB, on the case of the Free Man.

(20.) April 5—Main news censored: Arrival of Alfredo Cesar to Nicaragua.

(21.) May 18—Editorial in support of Luis Mora Student beaten (censored).

(22.) May 31—Main news Criminal Attempt against Eden Pastora in a Press Conference.

(23.) June 15—Excessive censoring, specially as to photographic material related to floods caused by rainy season.

(24.) June 18—Excessive censoring, photograph and information on the subdivision OPEN, Bishops in El Sauce Holy Years Ending.

(25.) July 10—Excessive censoring. Expelling order against 10 Catholic Priest by the Sandinist Government.

(26.) July 11—Excessive censoring. The Pope condemns Expelling, International reaction on the expelling order. The Priest Laplante does not appear.

NON CIRCULATION AFTER JULY 19, 1984, WHEN CENSORSHIP WAS MODIFIED ONLY ON MILITARY MATTERS

(27.) August—Excessive censoring on Arturo Cruz's political rallies and La Coordinadora in Matagalpa and Chinandega.

(28.) October 22—Excessive censoring relating to PLI political party. ●

THE OLDER AMERICANS PENSION COVERAGE PROTECTION ACT OF 1985

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. GEJDENSON. Mr. Speaker, under current law, in most cases employers are allowed to stop making contributions to pension plans after the normal retirement age of the worker—generally 65—and to stop

crediting time worked after normal retirement age for purposes of determining the retirement benefit. This is generally true even if the employee has not yet accrued the maximum retirement benefit. Furthermore, there is also no requirement that pension benefits be actuarially adjusted upward for the shorter time the benefit is received.

According to the Employee Benefit Research Institute, this policy means that an employee delaying retirement for 2 years may lose from 4 to 23 percent of the value of accrued lifetime benefits, depending on the provisions of the pension plan, and the loss can be up to 50 percent if retirement is delayed for 5 years.

Today, therefore, I am introducing the Older Americans Pension Coverage Protection Act of 1985. This bill would amend the Age Discrimination in Employment Act of 1967 to prohibit an employee benefit plan from requiring or permitting the suspension of an employee's benefit accrual because of age before accruing the maximum normal retirement benefit. The bill would, further, amend the Employee Retirement Income Security Act and the Internal Revenue Code to prohibit specific types of plans from suspending or reducing the rate of an employee's benefit accrual or employer contribution to an employee's account solely because of age.

Senator ALAN CRANSTON has introduced comparable legislation in the Senate. I believe that this bill is in keeping with the spirit of the Age Discrimination in Employment Act, and I urge my colleagues to join with me and cosponsor this legislation. ●

SURE-FIRE RECIPE FOR DEFEAT

HON. JACK FIELDS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. FIELDS. Mr. Speaker, last week I read an article by Jed L. Babbin, vice president and general counsel of the Shipbuilders Association of America, which appeared in the Houston Chronicle.

I was especially taken by the picture Mr. Babbin paints, that portrays the United States as a nation with an industrial policy which has run amok. He is correct in stating that even though the United States ignores our state of national defense, and fails to engage in industrial preparedness, that our Nation's enemies will not.

I agree that we ought to be coordinating our country's industrial capabilities with our defense needs. Without that policy, there won't be any capability there should we need it to produce materials in an emergency.

The article follows:

[From the Houston Chronicle, Apr. 25, 1985]

SURE-FIRE RECIPE FOR DEFEAT

(By Jed L. Babbin)

How can you fight a two-year war with only three months of supplies? American generals cannot plan for wars longer than 90 days because industry cannot increase production above peacetime levels before supplies run out.

The prevailing wisdom is that future conventional wars are unlikely to last more than 90 days. Military planners now rely on pre-positioned materials and equipment to supply airlifted troops. But the pre-positioned materials may be exhausted after only two or three weeks' fighting.

Our military planners assume that the only materials available are those "in the pipeline" at the time war begins. But what happens if an adversary is willing and able to fight on for six months, a year or longer?

In every major war for 120 years, American industry has mobilized to provide the difference between victory and defeat. Usually unprepared for war, we have retreated in the face of aggression. Later, we responded with forces having a vast advantage in logistics. Our ability to outproduce and outlast our enemies has resulted in victory.

Since World War II, industry's ability to respond to the needs of defense has withered away. The Defense Science Board, a group of prominent industrialists who advise the secretary of defense, concluded that American industry could not respond to defense needs in less than two years. No one seriously believes that Free World conventional forces could hold their ground against the Soviets for two years while industry gears up.

Shipyards, for example, must be able to service the reserve military cargo fleet, accelerate construction and overhaul of combatant ships, and meet the needs of the civilian fleet. By 1990, it is highly unlikely that there will be sufficient shipyards or skilled shipyard workers to perform the tasks of mobilization.

The government's response to this loss of industrial capacity is amazing. Just last month Vice Admiral William Cowhill, Director of Logistics for the Joint Chiefs of Staff, said that estimates of wartime shipping needs should not include "phantom cargo." He said we should not assume that military cargo could be produced faster than the ships that would carry it. Why worry about shipyards or ships, he reasoned, if there's nothing to send overseas?

If there was ever a recipe for defeat, that is it. Our commanders should not have to choose between defeat or nuclear war because we failed to maintain the industrial resources needed to succeed in a conventional war. We must ensure our ability to deploy and sustain military forces through organization and preservation of the industrial assets critical to defense.

There is a vacuum in our defense planning. No one in the government, aside from the president himself, has the duty to coordinate defense needs with industrial capability. As a result, it does not occur. Each government agency is free to issue policy directives without reference to defense. Many go forward with new policies despite Defense Department objections to adverse effects on industrial resources needed for defense. The dismemberment of AT&T is a good example of that policy-making arrogance in non-defense agencies.

The Soviets carefully coordinate the needs of their armed forces with economic

policies to maintain the industrial support they need. Over the past 36 years, every sector of Soviet defense industry has grown tremendously to become a tightly integrated program of military production, from mining of raw materials to the fabrication of finished weapon systems.

The relationship between defense requirements and the shipbuilding and shipping industries has led the Soviets to integrate thoroughly defense needs with commercial resources. According to the 1985 edition of *Soviet Military Power*, the Soviets have made a substantial investment in shipping and shipbuilding which "... clearly surpass(es) their demonstrated and projected commercial applications."

The United States has no merchant shipbuilding program. Commercial ship operators are encouraged to build ships abroad without regard to their military utility. As a result, only five major commercial ships have been ordered from U.S. yards in the last five years.

We would never wish to emulate the Soviets' dedication of industry to military goals. Nevertheless, we must establish economic policies which ensure industry's ability to support our forces in time of war.

Mercantilists of 15th century Europe controlled trade to enhance exports. The neo-mercantilists of the 20th century, such as Japan, target industries for growth and support them with subsidies, trade barriers and informal agreements among producers and consumers.

We need a new "strategic mercantilism" to ensure the preservation of the industrial resources vital to national security. Strategic mercantilism defines what resources are needed and ensures their preservation at lowest cost. It is a blending of economics and politics which provides for both defense and employment. It would provide that enough should be done to ensure national security, and no more.

It is certain that our enemies will recognize our lack of industrial preparedness, especially if we do not. The president should remedy the problem quickly by issuing an executive order requiring the national security adviser to annually measure the industrial resources essential to defense and to devise programs to ensure that they are preserved at the minimum necessary levels.

Adam Smith, the father of free market economics, wrote that defense is more important than opulence. But it was a critic of Smith's, Friedrich List, who best summed it up by writing, "The power of producing wealth in infinitely more important than wealth itself." ●

PUBLIC TELEVISION ANTICONVERSION ACT OF 1985

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, May 7, 1985

● Mr. LELAND. Mr. Speaker, I am introducing today the Public Television Anticonversion Act of 1985. The legislation is a response to a rulemaking pending at the Federal Communications Commission that would allow commercial stations operating on the UHF band to swap their channels and

cash for VHF channels assigned to public television stations.

I would like to share with my colleagues a letter I recently received from Sharon Percy Rockefeller, a member of the board of directors of the Corporation for Public Broadcasting [CPB]. In the letter, Mrs. Rockefeller, who formerly served as chairman of the CPB board, succinctly and effectively outlines the reasons to oppose the proposed channel exchanges.

I urge all Members to read this letter and to join me in opposition to the FCC's proposal. The letter follows:

APRIL 26, 1985.

HON. MICKEY LELAND,
Committee on Energy and Commerce, U.S.
House of Representatives, Washington,
DC.

DEAR CONGRESSMAN LELAND: I am writing to express my deep personal concern about a pending rulemaking at the FCC that could irreparably damage the public television system. The Commission is considering a change in its procedures which would permit public television stations operating on VHF channels (channels 2-13) to "trade" or "swap" channels with local commercial stations operating on UHF channels (channels 14-69), in exchange for cash or an "endowment." The swap would take place without any opportunity for competitive bidding.

My strong personal opposition to such channel exchanges is based on several philosophical and public policy reasons that I urge you to consider carefully:

(1) Audience Reach.—There are 121 VHF and 180 UHF public television stations. With 39% of our stations operating on VHF channels, the public television system is indisputably better able now to reach the American people than if it consisted entirely of UHF channels. In this respect, decreasing the number of VHF stations would devalue the national public television system as a whole. The inherent inferiority of UHF

signals, compared to VHF, is well known. The FCC formally recognized the UHF signal inferiority as recently as February, 1985 when it ruled that, for purposes of its multiple ownership rules, UHF stations will be considered to have half the audience reach that VHF stations enjoy. The loss of any of our VHF stations, and certainly the loss of several of them, would significantly reduce the audience that public television has painstakingly built and increased during the last 20 years.

Some have argued that cable and other new technologies make the UHF channels virtually indistinguishable from VHF channels. I do not agree. The reason the commercial broadcasters want to exchange their U's for public television's V's is their obvious knowledge that UHF is and will be inferior to VHF in reaching large audiences, for now and for the foreseeable future. In addition, carriage of all public television stations by cable systems is not guaranteed for the future, in light of the potential changes which might occur in the Commission's cable must-carry rules.

(2) Channel Exchanges are a National, Not Solely a Local, Issue.—Encouraging channel exchanges implies that present public television licensees own their VHF channels, and can "sell" them for large endowments and inferior channels. This ignores the basis of our country's entire broadcasting system—that the channels are public property licensed to trustees, who must use the resource to serve the public. Public television licenses should not be "exchanged for cash" any more than national parks should be "exchanged for cash."

Public television's VHF channels were reserved for noncommercial use in 1952 after a hard fight with commercial broadcasters who claimed that reserved channels were wasted spectrum. The VHF channels have enabled the public television audiences and the system to grow; growth assures the high quality alternative programming which is public broadcasting's reason for being. These reserved VHF channels should not now be treated as "belonging" to their present licensees, to be "sold" for whatever value the licensee negotiates for itself. The

channels belong to the American public, past, present and future. They are operated by public trustees, whose mission is the same as CPB's—to sustain and develop public broadcasting services for all people.

If exchanged, the VHF channels will be lost to public television forever, because of their high commercial value. The irreversible impact of such exchanges thus makes this a national issue, not a matter for the exclusive consideration of the present management at local stations.

(3) The Benefits Would Not Outweigh the Costs.—Some have argued that the high prices commercial UHF licensees would be willing to pay for a VHF channel will make such trades worthwhile, because the public television station would be able to overcome the UHF handicap with state-of-the-art equipment and maximum power levels. In addition, it has been argued that the high prices will enable the public television station to produce more programming. I am unmoved and unpersuaded by these views because:

If money could overcome the UHF handicap, the commercial UHF licensees would improve their own stations instead of buying VHF stations; why do we not hear of any commercial VHF stations proposing to exchange their channels for UHF stations if there is no difference between VHF and UHF?

More programming is not worthwhile if a station's signal is degraded, its audience is decreased, and its public service is, therefore, less effective.

Although a few VHF stations might benefit from their "sales," all other public broadcasting stations—including public radio—would suffer from the inevitable decline in federal, state and local tax-based contributions, as well as individual, foundation and corporate contributions.

The encouragement of VHF-UHF exchanges will erode years of progress for our national system of public broadcasting. I hope you will join me in opposing the FCC's proposal.

With best regards,

SHARON PERCY ROCKEFELLER.●