# EXTENSIONS OF REMARKS

## CONGRESSIONAL SCHOLARSHIP PROGRAM

### HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GRADISON. Mr. Speaker, I would like to extend formal recognition to a group of high school seniors participating in the Greater Cincinnati Chamber of Commerce congressional scholarship program, now in its 9th consecutive year. In sponsoring this program, I am undertaking to provide indepth insight into the functioning of our Federal Government to those who will undoubtedly be among the leaders of their generation. The 53 students participating faced stiff competition in order to qualify for this program and deserve to be proud of their achievement.

For the next 3 days they will meet with an impressive array of persons representing each of the three branches of our Federal Government. Not only the leadership of the House of Representatives, but also several Members of the Senate will give the students their perspective on the role and functioning of the Congress. The students will be able to question each of these leaders at some length. Tom Pettit will explain to them the responsibilities of the Press. A fellow Cincinnatian, Justice Potter Stewart, will reflect on the crucial function of the judiciary in our democracy. In addition, these young people will have the opportunity to visit the White House.

It is my strong hope that this experience will not only spur a few of these young people to someday serve in our Government, but also imbue them all with a real understanding and appreciation of its role in our society. I am pleased at this time to recognize those who were chosen to participate in the congressional scholarship program and the schools they represent. They are as follows:

Charles Klimko, Aiken High School.
Larry Cook, Anderson High School.
Jill Brunner, Colerain High School.
Darius Burdrys, Colerain High School.
Tina Teague, Deer Park High School.
Lisa Lindsay, Diamond Oaks Career Vocational School.
Mark Wainscott, Elder High School.
Chris Grotte, Elder High School.
Robert Leugers, Forest Park High School.
Veneeta Brewster, Hughes High School.
Loretta Houston, Hughes High School.
Susan Brown, Indian Hill High School.
Kevin Ricke, LaSalle High School.
Dale Harlow, Lockland High School.
Brent Laupenschlegar, Loveland Hurst High School.
Kathleen Plaut, Madeira High School.
Carmen Evans, Marian High School.
Scott Hamlin, Mariemont High School.
Jirlie Kemble, McAuley High School.
Tony Clarke, McNicholas High School.
Mark Skorcz, Moeller High School.
Laura A. Huhn, Mother of Mercy High School.
Carolyn Switzer, Mt Healthy High School.
Julia Davis, Mt Notre Dane High School.
Laura Jane Ruter, North College Hill High School.
Rick Rieger, Northwest Senior High School.
Dee Williams, Oak Hills High School.
Patricia Weller, Our Lady of Angels High School.
Laura Shaffer, Princeton High School.
Francis X. Tafuri, Princeton High School.
Ken Burke, Roger Bacon High School.
Barbara Cain, St. Bernard High School.
Tara Elizabeth Brown, St. Ursula Academy.
Thomas Paquette, St. Xavier High School.
Kim Wiseman, Scarlet Oaks Career Vocational School.
Barbara Moore, Scarlet Oaks Career Vocational School.
Kathy Gardette, Seven Hills High School.
John Schroeder, Summit County Day School.
Linda Symons, Summit Country Day School.
Scott A. Meyer, Sycamore High School.
Andrea Loveless, Taft Senior High School.
Mark Frederick Leininger, Taylor High School.
Kim Wolk, Turpin High School.
Brad Van Etten, Turpin High School.
Jane Rue, Walnut Hills High School.
Derrick Strayhorn, Walnut Hills High School.
Dennis Stadelman, Wm. Henry Harrison High School.
Grade Renee Wait, Woodward High School.
Sylvester Earle Williams, Woodward High School.
Aaron Samuel, Wyoming High School.
Lane Benford, Aiken High School.
Sheila Webster, St. Bernard High School.

CHAPERONES

Mr. Steve Baker.
Mr. Bob McKay.
Mr. Robert G. Hood.●

## GOVERNMENT BY BUREAUCRACY

### HON. DOUGLAS APPLEGATE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. APPLEGATE. Mr. Speaker, when are we in Congress going to wake up to the realization that we have allowed ourselves to be little more than puppets of the Federal bureaucracy? This great body, conceived by the creators of our democracy, to represent the people, to write law, and to serve them in their needs, has become the servant of a nonelected and unresponsive bureaucracy. We better do something about it soon.

Government by bureaucracy has caused this Nation unnecessary expenditures of billions of dollars, accelerated the pace of this country toward inflationary and economic chaos and caused untold delays in moving the Nation ahead. The redtape is horrendous when a community or business is attempting to develop a project.

This Congress has been made a bunch of fools through its own stupidity. It should be a reasonably simple procedure for Congress to regain its rightful authority on equal levels with its two brothers of democracy, the executive and judicial branches, but then nothing this Congress has ever done is simplistic.

Commonsense should tell this Congress that this must be done if the integrity and credibility of the Congress with the people is to be regained.

Any journey must start with the first step; therefore, I ask my colleagues to push forth for hearings and ultimate passage of two pieces of legislation—No. 1, Sunset legislation, and No. 2, one house veto power over bureaucratic rules and regulations. These pieces of legislation are far from the total solution but at least provide a step in the right direction.

What is at stake?—Government by the people, for the people, and of the people Nothing less.●

## EQUITY IN ANNUITIES

### HON. S. WILLIAM GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GREEN. Mr. Speaker, the Social Security Amendments of 1977 (Public Law 95–216) and the civil service retirement survivor annuities—reinstatement (Public Law 95–318) provided that widowed annuitants who had attained the age of 60 be permitted to remarry without losing their pension benefits. Public Law 95–216 provided that widowed annuitants on social security who had attained the age of 60 be permitted to remarry without losing their social security pension benefits and Public Law 95–318 provided that widowed annuitants of civil service retirees who had remarried before July 18, 1966, have their pension benefits reinstated if such persons had attained 60 years of age.

Regrettably, when the 95th Congress made these changes in current law it failed to consider the predicament of widowed annuitants of Federal Judges 60 years of age or older who had or were contemplating remarriage.

On March 14, 1979, I introduced H.R. 2974 in order to correct this inequity in current law. H.R. 2974 amends sections 375 and 376 of title 28 of the United States Code, relating to judicial annuities, to provide that annuities under such sections shall not terminate by reason of remarriage of an annuitant after attaining 60 years of age.

This inequity was brought to my attention by Mrs. Zdena Lawrence, widow of Federal Judge Charles D. Lawrence who served with distinction in the U.S. Customs Court for more than 20 years. If enacted H.R. 2974 will remedy this inequity with respect to annuitants of jus-

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

tices of the Federal District Court, Federal Court of Appeals, U.S. Customs Court, U.S. Supreme Court, and other Federal judges appointed for life term.●

## BILL TO APPOINT COL. MARY AGNES HALLAREN TO BRIGADIER GENERAL ON RETIRED LIST

### HON. BARBARA A. MIKULSKI

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Ms. MIKULSKI. Mr. Speaker, today I am reintroducing a private bill to authorize the appointment of Col. Mary Agnes Hallaren, U.S. Army retired to the grade of brigadier general on the retired list.

I introduced this bill last year on the day that Mary Agnes Hallaren retired from her third career, executive director of the Women in Community Services, Inc. (WICS). Congress adjourned before it had a chance to act on the legislation. Because of the outstanding qualification of Mary Agnes Hallaren, I want to bring the accomplishments of this outstanding individual to the attention of my colleagues.

Today, Senator TSONGAS is introducing similar legislation, since Mary Agnes Hallaren was born in hometown of Lowell, Mass.

This is the same Mary A. Hallaren (colonel, U.S. Army, retired) whose military career started in July 1942 when she was selected for the first officers candidate class of the newly formed Women's Auxiliary Army Corps at Fort Des Moines, Iowa.

She was Director of the Women's Army Corps from May 7, 1947, to January 3, 1953, the longest term of any Director WAC. It was largely because of her vision, courage, and dedicated leadership that the WAC became a permanent part of the Regular Army and Reserve on June 12, 1948.

Yet she was denied the rank of brigadier general because of a law that restricted the promotion of women beyond the rank of colonel. In fact, at that time in our history, the only woman who could receive the rank of colonel was the Director WAC. This law, which blatantly discriminated against women, was changed by Public Law 90–130. Unfortunately the law was passed too late to benefit Mary Hallaren. As I continue to recount her splendid career, I know that you will agree that this injustice should be corrected. My bill will not cost the taxpayers any money because I am not asking for back pay or other benefits. I am asking only for the change in rank. I think that it is a matter of simple justice to give this outstanding woman proper acknowledgement for her achievement during her military career.

Long before she became Director WAC, Mary Hallaren had shown signs of leadership and fearlessness. In 1942, she was appointed commanding officer of the First WAAC Separate Battalion, which underwent extensive overseas training in the United States, and in July 1943 arrived in Scotland under command of Capt. Mary A. Hallaren, the first WAAC battalion to serve in the European Theater of Operations in World War II. Following her tour as Director WAC, Colonel Hallaren served in the Headquarters of the European Command and the Office of the Secretary of Defense until her retirement in June 1960.

One of the most respected leaders of the Women's Army Corps, 5-foot-high Colonel Hallaren is known to the Army as the Little Colonel, formerly Captain Peewee. She is also one of the most decorated members of the WAC, having been awarded the Legion of Merit with two Oak Leaf Clusters; the Bronze Star Medal with one Cluster; the French Croix de Guerre avec l'Etoile de Vermeil; and the Legion d'Honneur.

A native of Lowell, Mass., and educated in the parochial and public schools there, Miss Hallaren started her first career as a teacher in the elementary and junior high schools of Lowell and Lexington. She learned to pilot an airplane from a group of men she had joined, who purchased a small private hedgehopper, but her 5-foot torso gave her such a hard time reaching the pedals, that she was forced to design a makeshift platform to cover the gap. One of her great regrets is that her diminutive height prevented her from qualifying to fly an Army plane.

If Mary Hallaren had been born a man, her military career would not have been limited. At this stage in our history when we are all striving to insure that all citizens receive equal treatment under the law, this gesture of bestowing the rank of brigadier general on Mary Hallaren is certainly a simple and just step. I hope my colleagues will support me in this effort.

BIOGRAPHICAL DATA ON MARY A. HALLAREN

Date and Place of Birth: 4 May 1907. Lowell, Massachusetts.

Education: Lowell State Teachers' College (Teaching Certificate); George Washington University (AB Degree); Boston University, Harvard Graduate School.

Career: Present Position: Executive Director, Women in Community Service, Inc. February 1965—

Civilian: Teacher, Elementary and Junior High School (15 years) Special Work: Remedial Reading.

Volunteer, worked with underprivileged families, contacts through schools (tutoring, etc.).

Lecturer, re walking tours in United States, Alaska, Canada, Europe, Near East, Latin and South America.

Military: August 1942, graduated from first Officer Candidate School, Fort Des Moines, Iowa.

PROMOTIONS

29 August 1942, Second Lieutenant.

7 May 1947, Colonel, Director, Women's Army Corps.

Assignments (Administrator, Advisor, Director).—

October 1942, Commander, First WAC Separate Battalion.

July 1943, WAC Staff Advisor, Strategic Air Force, England, France, Germany ('43–'45).

July 1945, WAC Staff Advisor, European Theatre of Operations.

June 1946, Deputy Director, Women's Army Corps.

May 1947, Director, Women's Army Corps.

May 1953, J–1, Hq., U.S. European Command, Indigenous Labor Agreements w/ NATO Countries, U.S. Dependent Schools, Europe.

May 1957–60, Office of Secretary of Defense (MP&R).

CITATIONS/DECORATIONS

Bronze Star Medal, Legion of Merit, Croix de Guerre avec l'Etoile de Vermeil, Oak Leaf Cluster to Legion of Merit, Commendation Medal, Commendation Medal with Medal Pendant (Oak Leaf Cluster), Second Oak Leaf Cluster to Legion of Merit, WAAC Service Medal, EAME Campaign Medal, Legion d'Honneur.●

## IMITATION OR SUBSTITUTE DAIRY PRODUCTS

### HON. F. JAMES SENSENBRENNER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. SENSENBRENNER. Mr. Speaker, dairy products form an important staple in the diet of the American consumer. It has come to my attention that some products are now being marketed with the words "imitation" or "substitute" in conjunction with the name of a dairy product.

This practice could have an adverse affect upon the health of the American consumer in addition to its being deceiving.

I insert, as part of the RECORD, two resolutions adopted recently by The Holstein-Friesian Association of Wisconsin.

RESOLUTION NO. 5

Whereas: Dairy product names (e.g. milk, butter, cheese) have been developed, used and promoted by the dairy industry since its beginning, and we thus believe they belong solely to the dairy industry and should not be adopted by other food industries for their products, and,

Whereas: Other substitute products have developed their own distinctive names (e.g. margarine, mellorine) that consumers can identify for what they are, and,

Whereas: The use of the words "imitation" or "substitute" in conjunction with a dairy product name could be deceiving to consumers, in our opinion, thus working against the general health of all citizens as well as against the economic health of the dairy industry.

Therefore be it resolved, That the 5,000 members of the Holstein-Friesian Association of Wisconsin oppose the proposal of the Federal Food and Drug Administration to allow other food products that contain no dairy products to be labelled "imitation" or "substitute" dairy products, and,

Be it further resolved, That a copy of this Resolution be sent to the Federal Food and Drug Administration and to our Senators and Representatives in Washington.

RESOLUTION NO. 7

Whereas: The level of dairy imports affects the economic well-being of the dairy industry in this country, and,

Whereas: Most imported dairy products may not meet the same quality standards of sanitation as are required by those produced in Wisconsin,

Whereas: Section 22 of the Dairy Import Act provides a reasonable formula for the importation of dairy products.

Therefore be it resolved, That the 5,000 members of the Holstein-Friesian Associa-

tion of Wisconsin urge their Senators and Representatives and the United States Department of Agriculture to continue to enforce legislation regarding quality standards of imported dairy products, and to maintain a sane and sensible approach to imports in accordance with Section 22 of the Dairy Import Act.●

## SHCHARANSKY AND HUMAN RIGHTS

### HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. LUKEN. Mr. Speaker, I am pleased to join my distinguished colleagues in commemorating the second anniversary of the arrest of Anatoly Shcharansky: The world renowned Soviet dissident who currently is serving a harsh and unjust sentence in a Soviet labor camp.

Anatoly Shcharansky has been transformed into a symbol of the international human rights movement. Shcharansky, a vocal critic of the repressive attitudes and acts of the Soviet Union, has paid a drastically high price for his principles. Concepts of justice and human decency forbid our silence. If we do not voice our vigorous opposition to this reperssion and harassment then we are little more than accomplices to these repugnant actions.

I believe the time has come when the Congress of the United States must take the lead in condemning countries that are guilty of human rights violations; particularly the Soviet Union. Although a signatory of the Helsinki Rights Accords and the United Nations Universal Declaration of Human Rights, the Soviet Union has repeatedly proven by its actions that it has no regard for human rights. Governments which flagrantly ignore the rights of their citizens do not deserve the support and approval of the U.S. Congress.

The issue of human rights in the Soviet Union has continued through the years to be among the most sensitive aspects of Soviet-American relations. Many specialists on the Soviet Union and certain well-known public figures urge the American public and the Congress not to be vocal about the denial of human rights in the Soviet Union. They fear that we will upset the Soviet leadership and thus harm talks on trade and arms control. But if the Soviet Union is not even concerned about the human rights of its own citizens, of what use is an international agreement between them and us on the human rights of the world? We cannot be silent and give our approval to the denial of freedom.

The Shcharansky case is an example of the continuing repression by the Soviet authorities of Jews whose sole crime is a desire to be reunited with their families. We must continue to speak out for the nearly 200,000 who have applied for permission to emigrate as well as for those whose fear of reprisal has prevented them from requesting permission to leave.

I have been closely involved with several individual cases of refusniks during my terms in Congress. One of my proudest moments came last year when the Soviet Union agreed to release the Katz family. The tremendous local Cincinnati response to the Katz case, when combined with congressional action, resulted in worldwide attention to this case. The Soviet leadership was unable to ignore the right of the Katzes' daughter, Jessica, to receive medical treatment in the United States. This case proves that in individual human rights cases American public pressure can make a difference.

I ask all those concerned with human dignity to raise their voices in protest over Mr. Shcharansky's case and the harassment of the Soviet Jewish community. We must not stop pressuring the Soviet Union until all are free and a fundamental change is achieved. We must seek ways to make the Soviet Government listen to American pleas for human rights. We must not remain silent.●

## A SECOND TRIBUTE TO ANATOLY SHCHARANSKY

### HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 15, 1979*

● Mr. HARRIS. Mr. Speaker, for the second year in a row, I rise to speak on the case of Anatoly Shcharansky. Two years ago today this brave man was arrested and sent to jail simply for asserting his basic human rights.

We appreciate Avital coming here to discuss her husband's situation with us. I will reassure her again, at this time, that we will not let go unnoticed the grave violations of the Helsinki Final Act being committed by the Soviet authorities.

There is no question in my mind that the charges of treason and espionage filed against Anatoly are false and that this was simply a manuever aimed at undermining the entire "refusenik" effort. The Russians simply have not succeeded. Although Shcharansky has been temporarily silenced, the movement is strong and the world knows of the oppressive treatment imposed on those in the U.S.S.R. who wish to leave. Although Shcharansky has been delayed in joining his wife, and others are being detoured, we will continue our efforts in exposing the deplorable tactics. We tell you at this time, Avital, that we will continue to work on your husband's behalf. Your husband has become a symbol of Soviet resistance and a source of inspiration and courage for all who cherish the rights of freedom of speech, religion, association, and emigration.

Americans must not remain silent. We must continue to work for Anatoly Shcharansky's freedom and we must continue to struggle for worldwide observance of human rights. Our pleas will become stronger and more persistent for we know that justice, freedom, and respect must triumph over inhumanity and hypocrisy.●

## UNITED STATES AND CHINA: A NEW POLICY WHICH MUST INCLUDE PROTECTION OF TAIWAN

### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. BIAGGI. Mr. Speaker, I was one who did vote for final passage of H.R. 2479, legislation to "help maintain peace, security, and stability in the western Pacific and to promote continued extensive close and friendly relations between the people of the United States and China."

My support was neither complete nor enthusiastic and was achieved only after the original legislation was greatly strengthened by amendments which further insured the protection of Taiwan as part of our new China policy.

The advent of our new China policy for many of us in Congress came with surprising and unsettling swiftness. For 6 years, from the time President Nixon first visited China, negotiations regarding establishment of relations were progressing at a snail's pace. Suddenly, in late December, during congressional recess, comes this tremendous breakthrough and in rapid succession: the United States recognizes the People's Republic and Vice Premier Teng's visit to the United States.

For those of us in Congress who were fighting to maintain the integrity and security of Taiwan, it was difficult to share in the euphoria surrounding the new China policy. We recognize that the agreements were made without adequate protections for Taiwan. We were unimpressed with Peking's rhetorical commitments not to forcefully invade Taiwan. We were deeply concerned when just days after the Vice Premier departed from the United States, Communist Chinese troops had launched an invasion of Vietnam sending tremors throughout the world.

When the House began its considerations of H.R. 2479 on March 8, it was my intent to work for the inclusion of amendments which would insure that the United States did not abandon the people of Taiwan. I voted for the following amendments which were contained in the final bill.

An amendment that clarified and bolstered the provision that the United States will maintain its capacity to resist any force or other forms of coercion that would jeopardize the security of Taiwan.

An amendment which clarifies that the President must inform Congress of any threat to the peace and stability of the western Pacific area or any danger to the U.S. interests arising from threats to the security of Taiwan.

An amendment which assures that the United States will make available to Taiwan conventional defense articles in the event of a threat to its security without regard to the views of the People's Republic.

I also voted for two other amendments which were not accepted by the full House, one which would have called on the United States to directly intervene in

the event that an armed invasion of Taiwan was undertaken by Peking. The other amendment would have required the President to consider the possibility of withdrawing diplomatic relations with the People's Republic if there was a threat to the security of Taiwan.

I considered these amendments to be critical to overcome a glaring omission in the President's China policy—its failure to clearly or adequately address the issue of Taiwan's security.

Throughout my 10 years in the Congress I have maintained that the protection of Taiwan is one of the most important requirements in U.S. foreign policy. In our haste to improve relations with our Communist adversaries—let us not forget that the mere improvement of relations will not remove them from the ranks of adversaries.

The United States in its new China policy has taken an important initiative, one whose primary benefit rests with the unsettling effect it has had on the Soviet Union. However, the doctrine of communism whether espoused in Moscow or Peking still has as its dominant philosophy—opposition to democracy. The numbers of captive nations under Communist controls have not diminished since détente. The adventurist tendencies of both the Soviet Union and China are as strong today as any time in modern post World War II history. Whether it be in Angola or Vietnam, expansion of the Communist influence is an ongoing entity. Blessed with this knowledge we must be ever vigilant in protecting our allies and the cause of democracy around the world. There is no more important example of this need than in Taiwan and I will maintain a strong and active interest in this issue throughout the weeks and months ahead.●

## COMMUNITY SERVICE OF DR. MARY ALICE BUDGE, YOUNGSTOWN, OHIO

### HON. LYLE WILLIAMS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. WILLIAMS of Ohio. Mr. Speaker, on March 22, 1979, a grateful community in my district is honoring an outstanding citizen, teacher, mother, and community worker, Dr. Mary Alice Budge, associate professer of English at Youngstown State University in Youngstown, Ohio.

Dr. Budge has generously contributed her time and talent to her community by serving in a number of capacities. Currently she is vice president of the Ohio Educational Association chapter at Youngstown State University, she is on the boards of the Youngstown chapter of the American Civil Liberties Union and the American Friends Service Committee. She has spent many hours in research concerning the desegregation of Youngstown city schools.

On March 22, 1979 Dr. Budge is being recognized especially for her hard work and commitment to the Associated Neighborhood Centers in Youngstown where she has served on the board of trustees for 4 years, 2 of these years as president of the organization.

The Associated Neighborhood Centers emphasize heavily the needs of developing children and the needs of senior citizens. By her dedicated service, Dr. Budge has contributed significantly to the welfare of those deserving age groups as well as her community at large. I am happy to join with her friends and neighbors in saluting the contributions of Dr. Mary Alice Budge.●

## MTN AGREEMENTS THREATEN KEY URBAN INITIATIVE

### HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. EDGAR. Mr. Speaker, the agreements nearing completion during the multilateral trade negotiations in Geneva threaten to undo much of the progress that has been made in the United States in targeting Federal procurement to firms located in areas of high unemployment. Members will recall that expansion of the "labor surplus area" procurement preference program was one of the major goals announced by President Carter last year as part of the administration's urban policy.

Yesterday, speaking on behalf of the Northeast-Midwest Congressional Coalition at hearings before the House Small Business Subcommittee on General Oversight and Minority Enterprise, I outlined some of the serious negative effects that adoption of portions of the MTN agreements are likely to have on the targeted procurement program. I am certain that many of my colleagues, particularly those representing areas of the country with high unemployment, share my concern and, therefore, I am inserting my testimony for their review:

TESTIMONY OF THE HONORABLE ROBERT W. EDGAR

Mr. Chairman, it is a pleasure to be here this morning to discuss some serious concerns raised by the Multilateral Trade Negotiations (MTN) now being concluded in Geneva and shortly to be considered by the Congress. As Chairman of the Northeast-Midwest Congressional Coalition, I am deeply concerned about the impacts the MTN will have on the economy of the Northeast and Midwest—and particularly on the Labor Surplus Area Set-Aside Program.

The concept of targeting federal procurement contracts to firms located in areas of high unemployment grew from an executive order issued in 1952 known as Defense Manpower Policy No. 4 (DMP-4). The order gave federal procurement officers the authority to restrict bidding on federal contracts to firms located in areas of labor surplus. Only in the last three years, however, has a concerted effort been made to put the targeted procurement policy to greater use.

President Carter assigned high priority to the "labor surplus area" procurement preference as part of his urban policy announced in March, 1978. The domestic agencies are establishing ambitious, laudable goals for increasing their use of this program. The President's initiative would expand the volume of procurement spending going to labor surplus areas from its present level of $228 million per year to more than $1.2 billion annually. This would be an increase of more than five-fold.

It appears that the proposed multilateral agreement on government procurement would eliminate part of the current volume of spending set-aside under this program for areas of economic distress. More importantly, it would appear that the agreement would make it much more difficult or impossible to meet the goals for expansion of the program. In short, the proposed procurement would put one of the President's key initiatives for dealing with distressed cities in serious jeopardy.

In a time of exceedingly tight budgetary restrictions, the targeting of government purchases to distressed areas provides one of the most cost-effective forms of economic development assistance available to policymakers. This is not simply a program designed to redistribute income around the nation. When inflationary pressures are pushing the prices of goods and services ever higher, concentration of government spending in economically slack regions and sections of the economy helps moderate price increases, and thereby makes everyone better off.

I have asked the Northeast-Midwest Institute to estimate as precisely as possible the quantitative impact of the proposed procurement code on the Labor Surplus Set-Aside Program. While the Institute's results are still tentative and highly fragmentary, they suggest that the impact will be substantial.

It is my understanding that the MTN agreements exempt all contracts less than about $190,000. The Administration's statement that most individual contracts would be under this threshold appears to be true: In fact, 60–90 percent of all contracts for each agency are under this threshold amount. The problem, however, is that most of the total dollar value of contracting is in contracts worth more than $190,000. In order to achieve a five-fold expansion in the Labor Surplus Area Program, procurement agents will need to make substantial use of contracts over $190,000 apiece.

The data which I have provided for you this morning represents a fragmentary breakdown of contracting values within several agencies. It is important to note the data on Table Three provided by HEW which notes a shift in contracting between FY 77 and FY 78. There is a distinct dollar shift from the number of contracts of lesser values to contracts of higher values. This shift can be explained through the simple economic effects of inflation. Increasing prices are predictable with each coming year. The MTN code is designed to set up a structure for trading over the next decade or more. All this considered, the constant MTN threshold of 190,000 dollars will serve to constrict significantly all preference programs over the next decade.

Furthermore, this expansion will need to come from civilian agencies such as HUD, HEW, and GSA because of restraining legislation such as the Maybank Amendment. This Amendment provides that the Defense Department cannot pay price differentials for programs designed to alleviate economic distress. One of the major exclusions under the MTN procurement codes is defense purchases; the one area in which the Labor Surplus Area Preference Program is almost totally inactive. This leaves agencies which engage in major labor surplus area contracting subject to the code.

According to the Special Trade Representative, the limitation of preference programs under MTM will eliminate an estimated $300 million now targeted under all preference

programs. However, this estimate is based only on the past performance of preference programs. The use of this data can be misleading because it represents the historical failure of agencies to implement the preference programs. The President's directive to increase the use of these labor surplus set-asides implies that the future dollars lost to preference programs will far exceed the Administration's estimates of $300 million.

The Northeast-Mideast coalition has just released a major report by the Northeast-Midwest Institute citing some of the serious difficulties facing the Administration's efforts to implement the President's goals for an expanded Labor Surplus Area Set-Aside Program. We believe that accomplishment of the President's objectives would be difficult enough without any change in the legal basis of the set-aside program. With the proposed MTN changes, reaching these goals may be impossible.

The Administration has indicated that there are a number of exclusions to the procurement code. However, these exclusions are not likely to leave enough room for the labor surplus area set-aside to operate meaningfully. The size limitation of government contracts may leave room for small business contracts under the $190,000 threshold, but holds little potential for larger business which provide needed employment in decaying local economies. It is my understanding that most of the product-category exclusions operate only for the Department of Defense and parts of GSA so that these exclusions would not substantially help the Administration meet its goals for expanding the program.

The northeast-Midwest region has a large stake in all aspects of the MTN agreements, and especially in the procurement code. The industries in our region tend to be older, and too many of our workers fall into the "last-hired, first-fired" category that marks the unskilled and semi-skilled portions of the work force. In fact, a recent study of the MTN agreements of the Congressional Budget Office concludes that "most of the net job losses resulting from trade liberalization will take place in the urban areas of the North and East, particularly in Illinois, Massachusetts, Michigan, New York, Ohio, and Pennsylvania. Relative to their populations, the four New England states of Main, New Hampshire, Vermont, and Massachusetts will suffer the largest displacement of workers. Newly created jobs would be concentrated in the Southern, Midwestern, and Western areas of the United States." (p. 24) These industrialized urban areas already are disadvantaged by the trend of economic events. To add to this trend by undermining one of President Carter's major urban initiatives would be a double blow.

Thank you.

TABLE 1

| | HEW, fiscal year 1977 (main computer file) | HUD, fiscal year 1978 [1] |
|---|---|---|
| Number of contracts under 180,000 | 4,978 | 291 |
| Percentage of total contracts | 90% | 66% |
| Dollar value of contracts under 180,000 | $160,882,868 | $11,907,355 |
| Number of contracts above 180,000 | 567 | 149 |
| Percentage of total contracts | 10% | 34% |
| Dollar value of contracts above 180,000 | $336,356,547 | $107,501,057 |

[1] These figures are the best available data and are not complete. They are considered to be an accurate sample.

TABLE 2.—*NASA fiscal year 1978*

| | Number of contracts | Dollar value of contracts |
|---|---|---|
| 0–999 | 5,567 | 113,000,000 |
| 1,000–4,999 | 910 | 185,085,000 |
| 5,000–9,999 | 177 | 122,844,000 |
| 10,000–49,999 | 207 | 442,497,000 |
| 50,000–above | 71 | 1,976,558,000 |

TABLE 3.—*HEW (Public Health Service Files)*

| Dollar value per contract | Fiscal year 1977 | | Fiscal year 1978 | |
|---|---|---|---|---|
| | Number of contracts | Dollar value (millions) | Number of contracts | Dollar value (millions) |
| 0–2,500 | 2,937 | 1.9 | 2,850 | 1.9 |
| 2,501–25,000 | 4,051 | 44.3 | 3,490 | 38.5 |
| 25,001–50,000 | 1,358 | 48.4 | 1,291 | 46.3 |
| 50,001–100,000 | 1,527 | 112.4 | 1,491 | 108.7 |
| 100,001–500,000 | 1,761 | 360.9 | 1,765 | 367.4 |
| 500,001–1,000,000 | 180 | 122.7 | 190 | 135.6 |
| 1,000,000 | 81 | 222.4 | 97 | 268.4 |

## SYMPHONY ORCHESTRAS GET WELCOME BOOST

### HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GORE. Mr. Speaker, I would like to join the American Symphony Orchestra League and the National Endowment for the Arts in saluting the Bell System for its leadership and sense of community responsibility in initiating the Bell System American Orchestras on tour program. It represents a pioneering step in corporate support of the musical arts in the United States.

Under this program, the Bell System will help sponsor the national tours of seven of America's leading symphony orchestras. The tours, which began this month and continue through 1982, will bring fine music to audiences in over 40 cities with more than 100 concerts in 1979.

Both the endowment and the league recognize the contribution made to the Nation by all of its symphony orchestras, their music directors, staffs, and volunteers. America's 1,470 symphony orchestras perform more than 60 percent of their annual concerts outside the traditional concert hall setting for the enjoyment of more than 25 million people. Of these performances, more than 25 percent are tour concerts.

To acknowledge the vital role of our country's symphony orchestras in enriching our culture, the American Symphony Orchestra League is designating October as "American Symphony Orchestras Month."

We encourage all Americans and corporations to follow the example of the Bell System by continuing and increasing their support of our orchestras, both in their home concert halls and on tour.●

## LEGISLATION ON IMPORT DUTIES

### HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. VANIK. Mr. Speaker, I am introducing a bill which provides for duty free, suspension of duty, or reduction of duty with respect to imports of six different products. Each of the items are noncontroversial and passed the House, but failed to be approved by both Houses prior to adjournment of the 95th Congress.

Specifically, the bill cover the following subjects:

1. Permanent duty-free treatment to certain dyeing and tanning materials.

2. Suspension of duty on wood excelsior until July 1, 1981.

3. Suspension of duty on nitrocellulose until July 1, 1981.

4. Suspension of duty on 2-methyl, 4-chlorophenol until July 1, 1981.

5. Reduction of duty on certain ceramic insulators.

6. Continuation until July 1, 1981, of the existing suspension of duties on certain forms of zinc.

Since the subject matter is noncontroversial it is my hope the bill can be handled in an expeditious manner.●

## PUBLIC FINANCING A SERIOUS MISTAKE

### HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. FRENZEL. Mr. Speaker, our new colleague, the distinguished gentleman from Pennsylvania, DON RITTER, made a splendid statement today before the House Administration Committee.

Congressman RITTER, who defeated an eight-term incumbent, was a long shot candidate. Political Action Committee contributions flowed to his opponent. But he won without public financing. Nearly all his contributions were from individuals.

Our colleague from Pennsylvania says "public financing would be a serious mistake." He says it will inhibit personal citizen involvement which is essential to a healthy political environment.

His statement was so clear, and so compelling, that I invite the attention of all Members to it. The statement follows:

PUBLIC FINANCING FOR CONGRESSIONAL ELECTIONS

Mr. Chairman, I'm deeply grateful today for the privilege of testifying on this most important matter of proposed public financing of Congressional election campaigns. I believe that my own experience in my 1978 Pennsylvania campaign serves to illustrate why I believe passing public financing would be a serious mistake.

In 1978, I ran for Congress as a long-shot "outsider". I was given little chance of winning a seat firmly held by an 8-term, 16-year incumbent. Under the theory that public financing is NOT designed to protect incumbents, I should have had no chance without public financing. Mine was the classic case of a political outsider facing impossible odds. A national columnist wrote (about me), "He waged a campaign that was almost exactly the kind Common Cause had in mind."

I won without public financing. My victory was based squarely on the kind of grassroots citizens support that supporters of public financing consider to be so healthy for our political system. They are right that grassroots involvement is healthy. But they are wrong to think that only public financing can create it. During the General Campaign, my committee raised $47,000. Outside of political party contributions, virtually all my contributions came from individual contributions within my District.

My opponent, on the other hand, according to the national columnist, raised $112,000, of which 90% came from outside the district.

Despite the success of my grass roots campaign, many people have been surprised to hear that I am not a supporter of public financing. The first reason is that, (as I proved), a challenger can win without it, if the people want him to win. But there are other reasons as well.

Financing congressional campaigns out of the federal treasury would, quite simply, take individual citizen involvement further out of the political process than is presently the case. One of the most disturbing ways would be by sharply reducing the role of the campaign volunteer, who represents one of the best traditions of American politics. It would replace the volunteer with a preprogrammed campaign operation that does not have to compete for dollars in the public forum, but instead is run by professional political operatives. The human element, in other words, would be further squeezed out of political campaigns, making incumbents little more than glorified civil servants who push a button and have their reelections automatically paid for out of the taxpayer's pockets.

In case anyone doubts that the human element would be taken out under public financing, you only have to look as far as the 1976 Presidential race, where we clearly saw the public apathy and decline in individual involvement that was the fruit of total public financing. In 1976 we saw one of the tightest Presidential horseraces in American history—yet with a lower turnout than in 1972, which had been a landslide with hardly any suspense whatever. And we saw the increased role of professionals that I spoke of, too. Other than T.V., what presence did either Gerald Ford or Jimmy Carter have in most areas? The American people were not allowed to contribute. Citizens did not volunteer. It was a colorless, bland campaign.

The role of political action committees (PACs) has become a key part of the debate over public financing. PAC involvement in congressional races is not in itself bad, nor a corrupting influence on the political process. The record shows that, in 1978, corporate and union PACs contributed only 9% of all money received by candidates. But to allow any special interest to dominate a campaign, while at the same time *discouraging* the atmosphere—which was present in my Pennsylvania race—where individual voters are motivated and involved, will simply increase the power of special interests. In my view, public financing, in any amount, will be another factor in discouraging that vital citizen participation. Taxpayers will feel they are automatically "contributing" through the federal contribution. As my colleague, Bill Frenzel has described it, that's the "I gave at the office" attitude.

I am not suggesting that the present system is perfect. What I *am* suggesting is that it does *not* prevent a grassroots challenge from succeeding, and that public financing would make matters worse instead of better. We cannot reform the electoral system by forcing an individual to support—through his tax dollars—an issue or candidate whom he may strongly oppose.

What our political system needs more than anything in order to be strong and responsive to the public good is individual involvement in the political process. If a proposal encourages that, it is beneficial. If it discourages that, it is counterproductive. Volunteer work by people who care about improving the quality of their government, and small contributions by people who want to have a voice are what our system needs more of. I submit, Mr. Chairman, that public financing will not encourage them.

As has been said, public financing will knock off any "Mom and Pop" campaign. Every new federal regulation would add another barrier to potential candidates. Candidates would be harassed by restrictions; burdened by countless forms. Public financing would complicate a system which even now only specialist lawyers and election experts understand. Many potential candidates are already turned off by the existing FEC bureaucratic hassle. To run for office would further become a nightmare of red tape. Individual involvement to help a challenger who has the support of the people is possible today. If that were not the case, I wouldn't be here before you as a Congressman.

If improvement is to come—and there is room for improvement, certainly—it will come not through having the federal government bankroll any part of a congressional campaign, but by the voluntary acts of our citizens in getting involved in the political process. I urge American voters to get involved. I think they will agree that is preferable to public financing.

Rather than passing a public financing bill, we should be turning our attention to solving the real problem of campaign financing—namely the intimidating power held by the incumbent over a potential contributor to the challenger. Overzealous disclosure requirements can remove from the contributor pool those individuals with the financial ability to help a challenger, because such individuals are active with businesses or other organizations carrying out direct affairs with an existing congressional office. Incumbents can put all kinds of pressures, some more subtle than others, on those who would contribute to the opposition. Even "no pressure at all" can amount to operational "difficulties" when it comes to working with an incumbent to whom you've physically stated your opposition by contributing to his or her opponent. Had I not won my election, I would venture to say that a large number of $100 plus contributors would have faded into the woodwork and not participated in a next election because of the discomfort, real or imagined, generated by offending the incumbent.

Members of the committee, the major problem is campaign financing, caused by government regulation having taken the privacy and the discretion out of the political contribution process.

In the extreme swing of the pendulum to a "Let it all hang out" position, we've created a void into which we would now insert a new bureuacratic, government solution.

Let us exhibit wisdom in our search for a better answer than more government, an answer that will not exacerbate the problem we face.

Let us shelve this wishful thinking and concentrate on the real problem, and that is how to further the role of individual citizens in the congressional election process. Let us begin immediately to redefine and raise the individual compaign contribution disclosure limits to a more meaningful level where individual privacy and discretion are still employed.●

## CITIZENS SPEAK ON GOVERNMENT SPENDING

### HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. MURTHA. Mr. Speaker, in Pennsylvania's 12th Congressional District we have an "Instant Poll" program which keeps me up-to-date on citizen attitudes.

In two recent questions in this mail poll, I asked about Federal spending. I think the results are very significant in terms of the present budget concerns in Congress. I would like to share them with the other Members.

Q. 1. One of the fastest growing areas of federal spending is aid to states and local communities. As part of the effort to reduce federal spending, would you favor or oppose cutbacks in money for state and local governments, even if it means cutbacks in your own community?

| | |
|---|---|
| Favor | 66% |
| Oppose | 30% |
| Undecided | 4% |

Q. 2. Do you favor or oppose increases in the solar energy budget by 13% to $597 million as recommended by President Carter?

| | |
|---|---|
| Favor | 52% |
| Oppose | 41% |
| Undecided | 7% |

●

## JOINT RESOLUTION PROCLAIMING THE WEEK OF THANKSGIVING AS "NATIONAL FARMWORKERS' WEEK"

### HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GARCIA. Mr. Speaker, today I am introducing a joint resolution that will authorize the President to issue a proclamation designating the week of Thanksgiving as "National Farmworkers' Week."

At the time of year when American families gather to express their gratitude for our abundance of food and to celebrate the traditional Thanksgiving Day holiday, it seems appropriate to honor those men and women who play such an important role in putting that food on our table.

Even with the great technological advances of our time, most farmworkers still labor with their hands to harvest not only our food, but that which we send to countries around the world to feed their poor and needy citizens. Our farmworkers have played a significant role in the historical and economic development of this country and it is beyond my comprehension that many of them are unable to afford a decent meal for their own families.

Many of our farmworkers presently live in deplorable housing and work under dangerous conditions. Nevertheless, they continue to toil the land year in and year out.

It is time for us as a nation to honor our farmworkers as a recognition of their important contributions to our country and countries around the world. We can do so by passing this joint resolution, and I strongly urge my colleagues to join with me and begin a new tradition in America.●

## GREEK INDEPENDENCE DAY

### HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. HALL of Ohio. Mr. Speaker, on this coming Sunday, March 25, 158 years ago, after a long and arduous struggle, the Greek people achieved their independence. On this date in 1821, the vestiges of the Ottoman Empire were thrown down and the brave people of Greece proclaimed their liberty. This was entirely as it should be as Greece, as we all know, was the birthplace of democracy. Having survived many years of oppression the ever enduring culture of the Greek people was unable to be suppressed. The people of Greece, having suffered foreign domination for many years had never given up hope that they would attain this freedom and liberty. This was achieved under the leadership of that great figure, Venizelos. Since that time each generation of Greeks has had their own trial of their faith in these ideals. Each has succeeded in vanquishing their foes.

We should recognize the many great contributions that Americans of Greek ancestry have bestowed upon our Nation. A few of the greats include Mitropoulos, Papanicolau, Zachos, and Anagnostopoulos. For these contributions, I think we all should be thankful. At the same time I believe we should turn our eyes and hearts toward the people of Greece on March 25 and join them in this celebration of their independence.●

## A TRIBUTE TO ANATOLY SHCHARANSKY

### HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Thursday, March 15, 1979*

● Mr. SOLARZ. Mr. Speaker, it is now 1 year since the arrest of Anatoly Shcharansky, a courageous young man whose only crime was the desire to live in peace and freedom. Instead of this freedom, he remains in strict confinement and has only narrowly escaped the death sentence. His case is but one more sad example of the failure of the Soviet Government to live up to the principles they agreed to uphold when the Helsinki Accords were signed.

I had the opportunity to meet with Anatoly's wife, Avital, last summer. I expressed my commitment then, and I would like to reaffirm that commitment now, to continue to fight for the most basic human rights for Antaly Shcharansky and his fellow Soviet Jews whose belief in their religion brings only suffering from their government.

It seems to me that the sentence of 3 years in solitary and 10 years in strict regime was overly harsh, especially since the crime of espionage charged against Anatoly Shcharansky was soundly and repeatedly denied at the highest levels by the American Government. The Helsinki Accords were negotiated to protect the rights of all people and further a more liberal immigration policy which would allow any individual the right to choose his own country. Not only has this not been the case for Soviet Jews, but those who do try to leave, as Anatoly Shcharansky did, are faced with prosecution and incarceration. Such policies must not be allowed to go.

The hardships of Anatoly Shcharansky are still growing from day to day. Our awareness of this deplorable situation and our willingness to fight against it must also keep growing until he is released and allowed to join his wife in Israel. I sincerely hope that at this time next year this dream will have become reality.●

## TESTIMONY BEFORE ENVIRONMENTAL PROTECTION AGENCY

### HON. DALE E. KILDEE

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. KILDEE. Mr. Speaker, I want to bring to the attention of my colleagues the hearings being conducted by the Environmental Protection Agency on particulate regulation for light-duty diesel vehicles. Because I believe that the proposed rule on diesel particulate emissions could have a negative impact on a substantial segment of our economy, I testified before the EPA on March 19. The text of my testimony follows:

STATEMENT OF CONGRESSMAN DALE E. KILDEE

I want to thank the Environmental Protection Agency for allowing me this opportunity to testify on the proposed rule on diesel particulate emissions. I asked to submit my comments for the official record because of my concern that the proposed rule does not adequately recognize the interrelationship between the three major components which must always be foremost in our deliberations in this area. As a legislator, I have demonstrated my deep commitment to protecting our environment, but our concern must be balanced by responsible attention to our national energy needs and to possible impact on the economy. It is my belief that the proposed rule does not adequately consider the impact on the automobile and truck industry, and thus on a substantial segment of our economy.

When the Congress grants rulemaking authority to an executive agency, it is our intent that any regulations will be carefully considered, reasonable, and based on a valid data base. I have carefully examined the proposed rule on diesel particulate emissions, and I was disappointed to discover that the proposed rule met none of these criteria.

As a starting point, I would like to point out some of the statistical problems of the rule. Since these data are the foundation from which the rule was developed, any inaccuracies could alter the conclusions which were ultimately developed.

Throughout the rule EPA uses a market penetration figure of 10–25 percent for diesel powered light duty vehicles. There is a tendency to concentrate on the 25 percent figure, which is EPA's high estimate, rather than their "best market growth estimate" of 10 percent. At the best, the emphasis on the 25 percent figure is exaggeration; at the worst, that emphasis is very misleading.

In order to determine how EPA arrived at the 25 percent figure, I carefully examined the rulemaking support paper to see why this estimate was used. There was absolutely no supporting data for this projection. As a matter of fact, the projections for diesel

production do not go beyond model year 1979.

I have checked with each of the U.S.-based domestic manufacturers, and I personally can see no way in which market penetration will be 25 percent by the late 1980's. My conclusion is that there is only one domestic manufacturer which can approach that figure.

The national highway traffic safety administration confirms this estimate. In their third annual report to the Congress on the automotive fuel economy program, they estimate that the spark ignition engine will continue to constitute 90 percent of the market throughout the mid-1980's. Obviously, such a miscalculation by EPA of market penetration will affect the estimates of total suspended particulates attributable to diesel engines.

There are, however, other problems which contribute to the inaccuracy of the estimate. The estimates were based on a study done for EPA by Pedco Environmental, Inc. They used the air quality display model for projecting national figures. In the report they admit that the AQDM tends to "overpredict" the very thing which they were trying to measure.

Their choice of a test city also seemed to be governed more by expediency than by a concern for statistical validity. It would be worthwhile to mention how they chose their site. I quote from the Pedco study, "ideally, selection of a test city for a study of this type would be based on numerous criteria such as total population, population density, age of the city, diversity of industrialization, number of motor vehicles and roadway miles per capita, and other relevant variables. All of these would help to identify an average or typical large (i.e., greater than 200,000 population) metropolitan area. The selected city would then be modeled, and the resulting predicted-versus-measured area pollution concentrations would be extrapolated to the national data levels of large urban areas. Because the time constraints imposed upon the study precluded any possibility of using such a process, the criterion for selection becomes simply: 'what seemingly typical large urban area has a usable diffusion model that is current and quickly accessible to the consultant.' "

There is also another problem with the data model which may tend to exaggerate the impact of diesel particulates on the calculations of total suspended particulates. The estimates of total suspended particulates produced by diesel engines are based on a figure of a one gram per mile emission level. EPA's own figures show that all of the diesel powered light duty vehicles currently on the market are below the 1 gram per mile figure. Furthermore, the data model assumes absolutely no improvement over the one gram per mile figure between now and 1990. Since the stringency of the standards is dependent on the estimates of the particulates, the method in which the model was developed is of major importance.

The inadequacy of the data base on which the proposed regulations is based in disturbing to me. Although I am not a trained statistican, I was able to see these problems. There is little excuse for inadequate workmanship in the development of the data base. The proposed regulation could have a major impact, and I think that we all deserve better from an agency of our Government which is promulgating a rule that may cost jobs and affect our economy.

In discussing the second criterion, I would like to raise some questions about the technology involved in achieving the goals laid out in the regulation. EPA indicates that relatively minor changes in engine conformation and the addition of turbochargers will enable all manufacturers to meet the 1981 standard of .6 grams per mile of particulate emissions. Such an assumption seems to ignore the lead time requirements for development and testing of even minor engine modifications. I might point out that because of EPA notification requirements, any changes which are made to model year 1981 engines will have to be ready by this fall. Even minor changes would be difficult to achieve by this fall. Even relatively minor changes may require new tooling, something which is not even mentioned in the proposed regulation.

The problems are further complicated by the application of the oxides of nitrogen ($NO_x$) standard at the same time. At the present time, the only known technology for substantially decreasing $NO_x$ is an exhaust gas recycle (EGR) system. EPA's own estimate is that the installation of the EGR increases particulate emissions by 80 percent. Their major solution to the particulate problem in model year 1981 is the installation of turbochargers. They estimate that turbochargers will decrease particulates by 33 percent. The sum of the two changes does not indicate an improvement in particulate emissions.

While I recognize that no application for a waiver of the $NO_x$ standard has been made yet, I am also disturbed by what appears to be a prejudgment on the question of a waiver of the NOx standard. This question of whether a waiver of the $NO_x$ standard will be sought or granted is essential to the whole issue involved in this rulemaking. Section 201 of the clean air act amendments of 1977, Public Law 95-95, specifically provides for the examination of the $NO_x$ standard in the case of diesel engines. The Congress is not in the habit of issuing specific guidelines on rulemaking unless it feels that an issue should be carefully and seriously considered. In examining the proposed regulations and rulemaking support paper, I am left with the impression that the environmental protection agency has prejudged the issue. If so, this would seem to indicate disregard for congressional intent and the existing law.

The problems imposed by the 1981 standards are only magnified in 1983. The particulate emission standard is then lowered to .2 grams per mile. EPA suggests that this standard can be met by the development of trap oxidizers, a technology which does not presently exist. I recognize that rulemaking can have a legitimate technology forcing affect, but I wonder if sufficient attention has been given to the lead time necessary to develop this technology. When a rule is promulgated for model year 1983, we are in reality allowing only two and one half years fo rthe necessary research, development, testing, and tooling.

EPA states, "EPA does not believe that implementation of this standard will result in discontinued production of any current engine line." I might point out that the evidence seems to indicate that particulate emissions are in direct proportion to the size of the engine and the inertia weight of the vehicle. In the 1979 report to the Congress mentioned above, the National Highway Traffic Safety Administration indicates that only small diesel vehicles with an inertia weight of 2,500 pounds or less could be considered "highly likely" to meet the combination of the $NO_x$ and particulate standards. In other words, you may be prohibiting a substantial number of diesel powered vehicles. Perhaps in your economic assessment you should also be considering the reverse side of the coin. What would be the economic impact if the diesel engines could not be produced. The 25 percent mileage improvement of diesel engines is much more significant than the estimated 8 percent mileage improvement of turbochargers which is the basis for the cost savings in the proposed rule.

I am particularly concerned that because the larger diesel engines are the most likely to fall short of the proposed standards, you may be precluding the use of diesel engines in light duty trucks, such trucks need a larger engine because of greater inertia weight and the need for capacity to carry added cargo.

In order to assist you in developing an approach which would not preclude the use of diesel engines in light trucks, I would like to offer a suggestion. Since the purpose of the proposed regulation is to achieve a smaller amount of suspended particulates, I would offer the suggestion that you examine the entire scope of the problem rather than concentrating on every single vehicle. The same purpose could be achieved by developing fleet-wide averages.

In conclusion, I feel compelled to again express my disappointment in the way in which the regulation was developed. There are statistical inaccuracies. There is lack of a sense of reality in the lead times proposed. The evidence suggests that the major domestic manufacturer of diesel engines cannot achieve the standards for either 1981 or 1983.

When I approached the examination of this proposed regulation, I honestly felt that my purpose would be to help you arrive at reasonable figures. The more that I have examined the regulation and its background, however, the more I am convinced that the environmental protection agency should start the process all over again.●

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## THE JEWS OF ILYINKA

### HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. LENT. Mr. Speaker, I rise today with a task of utmost gravity. As I have done several times in the past (CONGRESSIONAL RECORD, July 11, 1977; July 27, 1977), I call the attention of my colleagues in the House of Representatives and all freedom-loving peoples to the plight of the Jews of Ilyinka in the Soviet Union. Through information provided me by Mr. Michael Sabin of the Student Struggle for Soviet Jews, I can report that the iron vise of Soviet cruelty continues to tighten on these 130 courageous families in Ilyinka, a small isolated communal farm. Unless these brave and committed Jews are allowed to emigrate soon, their Jewish heritage may soon be ground to bits under the heel of the Soviet oppressors, according to interviews with Ester Lahmina, one of the fortunate few who reached Israel in 1975 from Ilyinka.

Though the small community clings to the Voice of Israel for spiritual nourishment, the little Jewish children are daily assaulted by challenges to their upbringing. When a small school girl, Esther Lahmina, recalled enduring the sharp ridicule of other children who, after learning that she preferred synagogue to Communist party meetings, attacked her and rubbed pig's meat in her face.

While the Soviet officials do nothing to discourage the attacks on the hearts and minds of young children, the adults fare little better. In fact, their persecutions are more direct and pervasive. At the

hospital which serves the people in the area, Jewish patients are denied registration and turned away regardless of their needs. In addition, the chairman of the collective farm, Victor Tarasov, who is characterized as reminiscent of Adolf Hitler, intercepts the emigration invitations sent from Israel, despite the objections of even the Soviet immigration officials at OVIR. Without these papers, OVIR wil not accept applications. Tarasov is reported as saying that no one will ever emigrate and that if he has his way, soon all the Jews will wear crosses. Will tatooed numbers on the forearm be next?

Not only is mail intercepted and withheld, but also Tarasov imprisons those who have the audacity or innocence to exercise their inalienable rights and apply for permission to emigrate. Also, those who apply are denied work on the farms. Without work, they have no income. One tractor driver was forced to live off the pension income of his parents. Without income, they cannot buy the materials to build their own houses, one of the harsh facts of life in Ilyinka. Even if you work, the income is only about 30 rubles per month. To buy a pair of shoes requires pinching pennies for about a year to a cumulate sufficient funds.

Let us never forget the persecutions and oppressions which the indomitable families of Ilyinka must endure daily. We can never cease our efforts toward pressing the Soviet Union into full compliance with the Helsinki accords.●

## PROJECT HEALTH

### HON. ROBERT DUNCAN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. DUNCAN of Oregon. Mr. Speaker, no issue facing the American people is more important to the future quality of life than health care. Providing adequate, competent and affordable health care while containing costs and covering the maximum number of people at the lowest per capita expenditure is the dilemma confronting all of us.

The people of Oregon, long renowned for innovative problem-solving—for example, our nationally recognized bottle bill, gas rationing based on odd/even license numbers, and so forth—have come up with a potential solution.

Project Health, already in place in Multnomah County, Oregon's most densely populated area, may be the answer. It combines the best aspects of private fee-for-service care while covering the maximum number of people at the lowest cost.

Project Health brokers the services of private providers—Blue Cross, Kaiser, Oregon Medical School, and so forth—to the medically indigent through a system of competitive bidding for contracts. Pooling a combination of Federal, State, and local funds, Project Health creates an efficiency of scale that allows large numbers of the medically indigent to obtain high quality professional care not affordable to them singly. The program covers those citizens/resident aliens ineligible for medicare or welfare with incomes up to 133 percent of the maximum welfare ceiling. (It also covers those persons with somewhat higher incomes through a system of deductibles proportional to the amount their income exceeds the ceiling.)

Applicants are given a choice among several providers' plans, on which they pay a nominal monthly fee. The fee varies depending on the option chosen. Project Health then pays the remainder of cost out of pooled funds.

Project Health offers clients three types of contracts depending on client need and present medical status: prepaid comprehensive health care: episodic/emergency care; and special service contracts.

Included in the prepaid package are 365 days of semiprivate hospital accommodation paid in full, hospital outpatient services, all inpatient and outpatient office services, full family planning, maternity, pediatrics, ambulance service, home health care, alcohol and drug addiction treatment, lab and X-ray fees, eye examination and prescription costs.

Contracts for episodic care cover urgent or emergency illnesses. Community providers who have signed with the county through Project Health furnish care to clients through a full range of inpatient services. The program then reimburses a variable percentage for the provider's usual charges based on the extent of care for the average patient on a monthly basis. The client pays the difference between the Project Health reimbursement and the provider's usual and customary charge.

Special service contracts, negotiated with community providers, provide services that the county is legally or historically obligated to provide, such as ambulance service for the indigent, medical care within the corrections system, and evidentiary examination and care for rape and sexual assault victims.

Project Health provides clients the benefits of mainstream medical services by private/semiprivate providers through a governmental scheme. It demonstrates the cost containment potential of using a pool of categorical health care funds to purchase medical services from the private sector. And it incorporates a planned application of risk sharing, competitive pricing and consumer cost participation and other marketplace mechanisms generally nonexistent in the private fee-for-service situation. Such mechanisms assure more efficient and economical service by adding incentives to keep prices competitive.

Project Health has accepted and met the challenge of finding a new solution to our national health care crisis. It serves as an excellent model for a health care delivery system on a national scale by assuring medical care to all Americans in a comprehensive, efficient, personal and affordable manner.●

## INTERGOVERNMENTAL PRODUCTIVITY IMPROVEMENT

### HON. TOM CORCORAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. CORCORAN. Mr. Speaker, on March 8, with my colleague from Illinois, PAUL SIMON, I introduced the Intergovernmental Productivity Improvement Act of 1979. This bill, H.R. 2735, was jointly referred to the Committees on Post Office and Civil Service and Government Operations. For the benefit of my colleagues, the text of the bill follows:

H.R. —

A bill to amend the Intergovernmental Personnel Act of 1970 to provide for improvement in personnel productivity, and for other purposes

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,* That this Act may be cited as the "Intergovernmental Productivity Improvement Act of 1979".

SEC. 2. (a) The Intergovernmental Personnel Act of 1970 (42 U.S.C. 4721, et seq.) is amended by inserting after title IV the following new title:

"TITLE V—INTERGOVERNMENTAL PRODUCTIVITY IMPROVEMENT

"DECLARATION OF PURPOSE

"SEC. 501. The purpose of this title is to establish a program to assist State and local governments to strengthen their capability to improve productivity.

"PRODUCTIVITY IMPROVEMENT GRANTS

"SEC. 502. (a) The Office of Personnel Management is authorized to make grants to a State, or general local government, or a combination of general local governments, for up to 90 per centum of the costs of developing and carrying out programs or projects to strengthen the capability to improve productivity of State and local governments. The authority provided by this section shall be employed in such a manner as to encourage innovation and allow for diversity on the part of State and local governments in the planning, implementation, and assessment of such grants.

"(b) An application for a grant shall be made at such time or times, and contain such information, as the Office may prescribe. The Office may make a grant under subsection (a) of this section only if the application therefor—

"(1) is signed by the Governor or chief executive officer of the general local government, or combination of local governments, applying for the grant;

"(2) provides for meeting a specific productivity need of the State or local governments;

"(3) provides assurance that the making of a Federal grant will not result in a reduction in relevant State or local government expenditures or the substitution of Federal funds for State or local funds previously made available for the same purposes as that grant; and

"(4) sets forth clear and practicable actions for the improvement of management capability for increased productivity, such as—

"(A) supporting specific projects or programs which enhance productivity by demonstrating how to maintain the same quantity or quality of service at the same or lower cost;

"(B) assessing State or local government

needs for new or improved productivity-related systems or subsystems;

"(C) strengthening one or more areas of management to improve productivity, such as program planning and evaluation, program and policy analysis, organization, information management, cost reduction, work and performance measurement, or administrative services;

"(D) utilizing available and potential knowledge, ability, and skills of public employees and managers and private individuals and organizations to increase the efficiency and effectiveness of governmental activities;

"(E) undertaking research and demonstration projects to develop and apply better techniques to improve productivity of State and local governments, including projects conducted by State and local government employees and projects conducted by institutions of higher education or other appropriate nonprofit organizations under grants or contracts; and

"(F) increasing intergovernmental cooperation in productivity improvement with respect to such matters as information management, administrative services, and intergovernmental financial management.

"(c) A grant under this title may not be made solely for the same purposes as grants under title II or title III. However, any grant project which includes personnel management and training components may be funded under this title if the overall purpose of the project is to strengthen the capability to improve productivity.

"(d) An application for a grant from a general local government or a combination of general local governments shall first be submitted by the applicant to the Governor for review comments and recommendations. The Governor may refer the application to a State office designated, by the Governor for review. Comments and recommendations (if any) made as a result of the review, and a statement by the general local government or combination of such governments that it has considered the comments and recommendations of the Governor, shall accompany the application to the Office. Comments and recommendations of the Governor shall not be required to accompany the application if the general local government or combination of such governments certifies to the Office that the application has been before the Governor for review and comment for a period of thirty days without comment by the Governor. An explanation in writing shall be sent to the Governor of a State by the Office whenever the Office does not concur with recommendations of the Governor in approving any local government applications.

"TECHNICAL ASSISTANCE

"SEC. 503. The Office of Personnel Management may furnish technical advice and assistance on request, to any State or general local government seeking to improve its productivity. The Office may waive, in whole or in part, payments from any such government for the costs of furnishing such assistance. All such payments shall be credited to the appropriation or fund from which the expenses were or are to be paid.

"GRANTS TO OTHER ORGANIZATIONS

"SEC. 504. (a) The Office of Personnel Management is authorized to make grants to other organizations to pay up to 90 per centum of the costs of projects and programs to strengthen the capability to improve productivity of State and local governments if the Office—

"(1) finds that State or local governments have requested the proposed project or program;

"(2) determines that the capability to provide such assistance does not exist, or is not readily available, within the Federal or the State or local governments requesting such assistance, or if such capability does exist, that such government or association is not disposed to provide such assistance; and

"(3) approves the project or program as meeting such requirements as may be prescribed by the Office of Personnel Management in its regulations pursuant to this Act.

"(b) For the purpose of this section, 'other organization' has the same meaning as given it in section 304(b).

"DISTRIBUTION OF PRODUCTIVITY IMPROVEMENT GRANTS

"SEC. 505. (a) The Office of Personnel Management shall allocate the money available for grants under this title in such manner as will most nearly provide an equitable distribution of the grants among States and between State and local governments, taking into consideration such factors as the size of the population, number of employees affected, the urgency of the programs or projects, the need for funds to carry out the purposes of this title, and the potential of the governmental jurisdictions concerned to use the funds most effectively. The provisions of section 606 of this Act shall not apply with respect to funds appropriated for grants authorized by this title.

"(b) In administering grant funds under this title, the Office may allocate funds to States to be used in conjunction with funds allocated under section 606 of this Act. States are encouraged to establish statewide programs for the use of all grant funds under this Act. Grantees may use the funds provided for personnel management and training and those provided for productivity purposes in a combined manner.

"EVALUATION OF PRODUCTIVITY IMPROVEMENT GRANT PROGRAM

"SEC. 506. (a) The Comptroller General of the United States shall audit, review, and evaluate the implementation of the provisions of this title by the Office of Personnel Management.

"(b) Not less than thirty months nor more than thirty-six months after the effective date of this title, the Comptroller General shall prepare and submit to the Congress a report on his audit conducted pursuant to subsection (a).".

(b)(1) Such Act is further amended—

(A) by redesignating title V as title VI; and

(B) by redesignating sections 501 through 513 as sections 601 through 613, respectively.

(2) Sections 203(a) and 303(c) of such Act (42 U.S.C. 4723(a) and 4723(c)) are each amended by striking out "506(a)" and "513" each place they appear and inserting in lieu thereof "606(a)" and "613", respectively.

(3) Section 601 of such Act (as redesignated) (42 U.S.C. 4761) is amended by striking out "and V" and inserting in lieu thereof "V, and VI".

SEC. 3. The amendments made by this Act shall take effect on the later of—

(1) October 1, 1979; or

(2) the date of the enactment of this Act.●

## MARK HANNAFORD, A GOOD FRIEND OF THE WORKINGPERSON

### HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. PATTERSON. Mr. Speaker, on March 25 the UAW's Local 148 from Lakewood, Calif., will honor my good friend former Congressman Mark Hannaford for the work he did during his tenure in Congress for the union families of his district and all working Americans.

Mark served California's 34th Congressional District for 4 years. Both of us were elected to Congress in 1974. Prior to his election to Congress he served as councilman and mayor of the city of Lakewood. He also taught school for 25 years and was a political science professor at Long Beach City College when he was elected to Congress. Mark's academic achievements are best exemplified by the John Hay Fellowship he won in 1961. The fellowship enabled him to study advanced work in economics and political science at Yale University.

In Congress Mark established himself as a true friend of American working men and women. His support for labor issues, which concern the average citizen, was consistently displayed by his voting record. Mark's support for labor was unbending, even in the face of criticism from local forces who view the rights of working Americans as secondary to their peculiar interpretation of what is good for America and society.

Mr. Speaker, Mark Hannaford is truly deserving of the honor bestowed upon him by the UAW's Local 148. Mark's dedication to the American labor movement is as solid as the UAW's rich and progressive history in American labor and politics.●

## TRIBUTE TO CONGRESSMAN ABNER MIKVA

### HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. DRINAN. Mr. Speaker, I know that all of our colleagues would want to read the well-deserved tribute to Congressman ABNER MIKVA published in the New Republic for March 24, 1979.

This article, authored by the distinguished journalist, Morton Kondracke, commends President Carter's wise choice of Congressman MIKVA for a judgeship on the District of Columbia Court of Appeals.

The article follows:

CARTER'S WISE CHOICE FOR THE D.C. APPEALS COURT—GOOD JUDGEMENT

(By Morton Kondracke)

President Carter's judicial appointments are winning general praise, but one of them deserves special applause. To the nation's second most important tribunal, the US Court of Appeals for the District of Columbia, Carter has named one of the smartest people in Congress and, I think, one of the wisest and most decent people in all US politics. He is Abner Mikva, a fifth-term representative from Illinois. The media make stars out of Presidents, Cabinet officers and senators, but give short shrift to House members as too numerous to handle. Most people, liberals at least, remember how valiantly, if unsuccessfully, Paul Douglas and Philip Hart fought in the Senate against the oil depletion allowance. It was Abner Mikva, though, who led the way against it in the House Ways and Means Committee and on the House floor in 1975, and won. Tax reform tends to get reported as a fight between the president and Russell Long, but it has been Mikva, as the leader of Ways and Means liberals, who has

tried to close loopholes and make tax rates more progressive. Everyone knows that Teddy Kennedy has championed 18-year-old voting and revision of the criminal code. In the House, those have been Mikva measures.

There is another reason why Abner Mikva isn't a household word. Much of the Washington press is mired in a curious, bent-over-backyard kind of conflict of interest. Reporters write comfortably about politicians they don't know or privately hate, but they're so reluctant to show favoritism to people they admire or love that they'd rather leave them out of a story than reveal their bias. Almost every good Washington reporter I know considers Mikva a truly exceptional political figure, but few have told their readers about it. Now that he is about to become a judge and probably never will run for office again, we can purge ourselves of our conflicts. I do so happily.

It's not only the press's fault that Ab Mikva isn't famous. It was fate. Mikva didn't grow up in a particularly bad time or place for political success; in fact, he became a liberal as a result of his family's deprivations in Depression-era Milwaukee and because of the political examples of its socialist mayors and the relief from misery provided by the programs of Franklin Roosevelt. He tempered his liberalism with classical economics at the University of Chicago, where he got a law degree. He clerked for U.S. Supreme Court Justice Sherman Minton, but then he decided to go back to Illinois. Prospects looked promising enough: Adlai Stevenson had just been elected governor and Paul Douglas had become senator. Mikva moved to Hyde Park, the University of Chicago neighborhood, and went to work for Arthur Goldberg's labor law firm. In 1956, he ran for state representative against the wishes of the Cook County Democratic organization, and won.

If Mikva had been a liberal reformer in, say, Wisconsin, he might be a senator now and perhaps even a presidential contender. But Illinois in those days didn't cotton to liberal reformers. It wasn't really a Stevenson-Douglas state at all. It was a Daley state in Cook County, where half the Illinois population lived, and a Paul Powell state in much of the rest, and where it wasn't one of theirs, it was Republican. Mikva instantly became the leader of a small band variously known as "the good government bloc" or the "economy bloc"—one opponent referred to Mikva as "the economy blockhead"—which could win only by forming coalitions, maneuvering shrewdly and appealing to the press and public. Mostly it acted to combat political skulduggery or (in the case of Paul Powell, the man who died with a shoebox full of cash in the closet) outright theft. Mikva and his allies also fought to stop periodic budgetary pogroms against welfare recipients and mental patients. They managed to pass a consumer credit act outlawing garnishments and a reformed state criminal code.

Mikva won the respect of those with whom he coalesced—the Daley Democrats and Republicans, rarely Powell—but he never would be a beneficiary of their political power. Out of respect for Mikva's brains and legislative skill, Daley reluctantly agreed to allow him to be chairman of the Illinois House Judiciary Committee. Out of respect for Mikva's popularity and distaste for primary election bloodletting, Daley never ran machine candidates against him. Daley may even have liked Mikva a bit for being a good family man (as opposed to what Daley thought most Hyde Park-University of Chicago liberals were). But the Daley organization did nothing to help Mikva move up to higher office, and everything to reapportion him out of his political career. When Mikva decided in 1966 that he wanted to go to Congress, he had to fight the organization again. He lost narrowly, but forced the machine to back him in 1968. He won then with 65 percent of the vote, and with 75 percent in 1970. Then in the 1971 reapportionment, Daley redrew congressional district maps to eliminate Mikva.

Instead of quitting, Mikva moved from the Chicago South Side of Evanston, a northern suburb, and fought for a traditionally Republican seat in 1972. He lost, and this was another case of fate denying him national attention. In previous terms, Mikva had been an increasingly influential member of the House Judiciary Committee. Had Mikva been in Congress in 1974, he probably would have become famous as a key figure during the Nixon impeachment proceedings, but he wasn't. He did return in 1974, winning by 2700 votes. He was reelected in 1976 by 201 votes and in 1978 by 1190. It's a mark of his political effectiveness that he won at all, considering that Republican candidates for senator and governor carried his district by 74 and 75 percent, respectively, in 1978.

Mikva has managed, by brains, energy, acumen, integrity, and human charm, to race back and forth to Chicago every weekend to keep his seat in a Republican district and still be the leader of Ways and Means Committee liberals, chairman of the reformist Democratic Study Group, the chief Judiciary Committee proponent of gun control and criminal code revision and a key backer of public financing for congressional campaigns. Mikva manages to be a tax reform, income redistribution liberal, to favor national health insurance and oppose oil deregulation, without being a woolly-brained free spender and advocate of government regulation. He is anti-protectionist and a deregulator of industries where the market can work. He wants to prohibit the sale and manufacture of handguns, but he knows that banning possession of them would create a confiscation nightmare. What sets him apart from many liberals, too, is that he doesn't only love mankind; he loves individual people, too.

Now a potentially great legislative career is about to come to an end. His friends will be spared having to worry each election night about whether, or how narrowly, the voters of Illinois's 10th District have maintained their good judgment. The court Mikva will join receives the most difficult and important national legal questions, and often frames the terms under which they are considered by the Supreme Court. No one who knows Mikva has any doubt that he and the appeals court are perfect for each other, but I'd like to think he'll go further than that in his new occupation.●

## THE 28TH SESSION OF THE UNITED NATIONS COMMISSION ON NARCOTIC DRUGS

### HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GILMAN. Mr. Speaker, the 28th session of the United Nations Commission on Narcotic Drugs recently completed its deliberations in Geneva, Switzerland (February 12–22, 1979). The U.S. delegation, which was ably led by Ms. Mathea Falco, the newly confirmed Assistant Secretary of State for International Narcotics Matters, consisted of Peter Bensinger, Administrator of the Drug Enforcement Administration; Robert Chasen, Commissioner of the U.S. Customs Service; George Dalley, Deputy Assistant Secretary of State for International Organizations; Robert Angarola of the White House Drug Abuse Policy; Dr. Jean Paul Smith of the National Institute on Drug Abuse; and Louis Cavenaugh of the U.S. Mission to Geneva. Our distinguished colleague, the gentleman from Illinois (Mr. RAILSBACK), the ranking Member of our Select Committee on Narcotics, also attended the U.N. Commission's deliberations. Through the good offices of Ms. Falco, I submitted a statement to the Commission regarding the global dimensions of narcotics trafficking and the urgency for nations of the international community to contribute to the United Nations Fund for Drug Abuse (UNFDAC), or in the alternative to increase their contributions to UNFDAC, whose budget is dependent upon the voluntary contributions from the international community.

Mr. Speaker, narcotics trafficking is a multibillion dollar business that is conducted by international criminal syndicates whose highly organized, well-financed, and sophisticated operations reach into every region of the world, maiming the health of our citizens and corrupting our political, economic, and social institutions. Federal drug law enforcement authorities estimate that the nefarious drug trafficking business at $45 billion just in the United States.

Given the magnitude of the drug problem, I find it shocking that in 1978 only 38 nations (or aproximately 25 percent of the 151-member nations of the United Nations) raised $7,296,200 for UNFDAC's "global war" on drug abuse * * * an amount that would not even purchase one military jet aircraft. Only nine nations or nearly 6 percent of the 151 membership in the U.N.) contributed $100,000 or more to the fund: the United States ($3 million), Norway ($2,472,300) Sweden ($535,000), Saudi Arabia ($250,000), the Federal Republic of Germany ($250,000), Canada ($200,000), Japan ($200,000), and France ($100,000). The remaining 29 nations contributed a meager $188,900 (or an average of $6,746 per nation). In 1977, contributions to UNFDAC rose to $7,549,700, of which the United States contributed $4 million (or 52.9 percent of the fund's budget), compared to the pitiful pittance of $3,900,800 that was contributed to the U.N. fund in 1976, of which the United States contributed $3 million (or nearly 77 percent of the fund's budget).

As of February 21, 1979, 15 nations have pledged or contributed $4.7 billion to UNFDAC: Argentina ($10,000), Australia (A$200,000), Austria (A.Sh500,000), Canada (C$100,000), Chile ($3,000), France ($100,000), the Federal Republic of Germany (DM.500,000), Hong Kong ($21,500), India ($7,000), Japan ($300,000), Madagascar ($2,000), Norway ($60,000), Sweden ($500,000), United Kingdom (£50,000), and the United States ($3,000,000).

As I state in my remarks before the U.N. Commission:

We cannot wage any global assault on narcotics on such a shoddy budget. Such

limited financing will not provide the equipment, the personnel and the programs needed to combat the international drug traffickers' sophisticated operations that reach into every corner of the world. We cannot effectively eradicate the illicit production of drugs at its source, educate our citizens regarding the dangers of drug abuse, and treat and rehabilitate those individuals who have become addicted to drugs, on such a pathetically small budget.

It is appalling that those nations that have substantial drug problems have made minuscule, if any, contributions to the U.N. fund. Nations that can afford to contribute to UNFDAC have made only token pledges of less than a few thousand dollars, or are conspicuously absent by not contributing a single penny to the effect to wage "war" on drug abuse and the narcotic traffickers that are infecting our citizens with their deadly drugs.

Some of the largest nations of the international community have not contributed a single penny to UNFDAC: The Soviet Union, the People's Republic of China, and the Eastern European bloc of nations have not contributed one red cent to the fund.

Certain oil rich nations—Venezuela, Kuwait, Iran, Libya—have made only token contributions or no contributions at all to UNFDAC.

Major illicit drug producers—Colombia, Bolivia, Ecuador, Peru, Turkey, Afghanistan, Burma—did not contribute a single penny to the war on drug abuse in 1978.

There is, however, one encouraging note from the private sector. The Japanese Shipbuilding Industry Foundation has announced that for 1979 it intends to contribute $200,000 to certain law enforcement aspects of the UNFDAC financed program in Burma. This represents a 25-percent increase in the foundation's 1977 contribution of $160,000 to the fund.

I also find it appalling that the U.N. General Assembly does not regard drug abuse and narcotics trafficking as a serious problem; repeatedly giving this problem a below average priority on its agenda—a position that I find totally unacceptable and unconscionable.

In December 1977, under the leadership of the distinguished chairman of the Select Committee on Narcotics Abuse and Control (Mr. WOLFF), who was a member of the U.S. delegation to the U.N., the U.N. Assembly unanimously adopted Resolution 32/125 that appealed "to governments for sustained contributions to UNFDAC by giving due consideration to the economic and social development provided in drug control programs financed by the fund." As a member of the Narcotics Select Committee, I, along with other members of the committee, have sought to urge nations to implement this resolution by contributing to the U.N. Fund. Last November, at my suggestion, our Ambassador to the United Nations (Mr. Young) held a donors meeting of U.N. member nations at the U.S. Mission to the U.N. in New York. Efforts to encourage nations in the international community to contribute to the U.N. Fund has, however, been a slow, frustrating process.

The international community must do more than adopt well-intentioned resolutions. The time for a concerted, global effort to wage "war" on drug abuse is already at hand. If we are sincere in freeing the world from the menace of drug abuse and the international drug peddlers, then the international community must develop a global, comprehensive plan for waging "war" on this evil menace. Broader distribution of contributions from the international community to UNFDAC must be forthcoming. A few nations cannot single-handedly underwrite this global problem. If the "war" on drug abuse is going to be won, it will require the concerted effort by the entire family of nations not only to contribute to UNFDAC, but to increase their contributions to the Fund. If the international community truly means what it says by adopting well-intentioned resolutions, then the time has arrived for the 151-member nations of the U.N. to take the drug problem seriously, to give it top priority on its agendas, and to contribute to UNFDAC, a major entity within the U.N. system, that is attempting to fight the drug problem.

Mr. Speaker, in the interest of bringing to the attention of my colleagues the financial status of UNFDAC, at this point in the RECORD I am inserting three documents: The complete text of my statement before the 28th session of the U.N. Commission on Narcotic Drugs, a list of those nations that contributed to the U.N. Fund in 1978, and a letter from Secretary Falco that briefly discusses the Commission's February 1979 meeting in Geneva:

STATEMENT BY THE HONORABLE BENJAMIN A. GILMAN

Mr. Chairman, delegates to the Twenty-eighth Session of the United Nations Commission on Narcotic Drugs, although I am unable to participate directly in the important deliberations of this distinguished body, I welcome this opportunity to share with you the thoughts of some of us in the Congress concerning the efforts by the international community to combat narcotics abuse and trafficking.

Drug abuse has reached epidemic proportions for both heroin producer nations and heroin user nations, for both the developed and the less developed nations. Interdicting narcotics trafficking, eradicating the illicit production of drugs at its source, alerting the world's citizenry to the dangers of drug abuse, and treating and rehabilitating those who have become addicted to drugs is a staggering problem. The enormity of the drug problem is beyond the capability of any one nation to single-handedly resolve.

Drug abuse and drug trafficking is not unique to any one nation or to any small group of nations. It involves the entire international community. It is a global problem that debilitates and brings death to all mankind. No nation, regardless of its political ideology, governmental institutions or socio-economic status is immune to the devastating effects of drug abuse or from the insidious drug merchants who prey upon human suffering. The heavily financed, highly sophisticated international criminal syndicates reach into every region of the world. Their drug trafficking enterprises reap billions of untaxed dollars into their coffers. The tentacles of their illicit financial transactions breed corruption that not only undermines the political, social and economic structures of society but destroy the roots of that society . . . our youth.

The battle against heroin, marihuana, cocaine and other dangerous drugs is a never-ending struggle. The magnitude of the trafficking of these illicit substances is herculean. Peter Bensinger, the able administrator of the United States Drug Enforcement Administration, has estimated that the vile business of drug trafficking in the United States amounts to as much as $45 billion per year. Waging "war" on such an extensive and elusive enemy is frustrating for all nations. The U.N. International Narcotics Control Board (INCB) in its 1977 annual report, concluded:

"The amount of drugs of all kinds in the illicit traffic has shown no sign of decreasing . . . Worldwide heroin seizures for instance reached an unprecedented level in 1976. When one source dries up another may almost immediately assume greater importance so that the apparently rising illicit demand can continue to be met."

Last year before this distinguished commission, I cautioned the international community about becoming complacent over the reported decline in heroin availability, the decline in heroin-related deaths, and the decline in the levels of narcotic purity. We have learned, as the INCB stated in its 1977 annual report, that "when one source dries up another source assumes greater importance."

Two years ago approximately 80 percent of all the heroin entering the United States originated in Mexico. Presently, through joint, cooperative efforts in eradicating the illicit production of opium at its source, the amount of heroin entering the United States has been reduced to approximately 60 percent, which is still an unacceptable level.

It is now apparent that Mexico has become a transshipment state for the trafficking of Colombian cocaine. During a recent visit to Mexico, where I had the opportunity to study at first-hand the outstanding work of the Mexican drug eradication program, Mexican law enforcement authorities, in a record breaking seizure for their nation, seized 150 pounds of Colombian cocaine worth an estimated street value of $150 million and arrested a gang of Mexican and Colombian drug traffickers who have been operating in Peru, Colombia and Mexico. The cocaine reportedly was to be refined in Mexico and to be distributed to the United States and Canada.

And so the never-ending battle against an elusive enemy continues. Only last month our Federal and local drug law enforcement officers arrested a gang of international heroin traffickers who, during the past two years, have smuggled into our nation's capitol at least 100 pounds of 90 percent pure heroin from Southeast Asia worth about $30 million.

The amount of marihuana and cocaine seized by United States drug law enforcement agents, working with their counterparts in Latin America, Europe, the Middle East and Asia, is staggering: it is no longer seized by the pound but by the ton . . . by the boatload and planeload. From December 1977 through April of 1978, our Nation's drug agents seized 40 marihuana vessels flying flags from Columbia, Mexico, Venezuela, Honduras, Panama and Liberia that carried 574 tons of marihuana worth an estimated retail value of $400 million. Tens of millions of illicit hallucinogenic, stimulant and depressant dosage units are annually seized by our Federal, State and local law enforcement agencies.

Last October, law enforcement agents in New Delhi smashed an India-to-Canada hashish smuggling ring involving the seizure of 300 pounds of hashish (concealed in 15,000 flashlight batteries) estimated at $1.5 million.

From Quebec to Vancouver, Canadian law enforcement authorities are reporting increased seizures of marihuana, cocaine, and

hashish. Heroin addiction in Canada and Western Europe has reached such epidemic proportions that Canadian, British, French, West German, Dutch, Swedish, and American law enforcement agents have joined their colleagues in Thailand in trying to interdict narcotics trafficking operations and to eradicate the illicit production of opium. Last September, Singaporean, Malaysian, American and European narcotics agents arrested 40 drug traffickers and seized 200 kilograms of heroin worth an estimated $20 million Hong Kong dollars, together with the seizure of large quantities of weapons in Amsterdam, Paris, Hamburg, Frankfurt, Copenhagen and Helsinki.

According to Canadian law enforcement officials, heroin trafficking represents the fifth largest industry in British Columbia, grossing at least $255 million a year and requiring over 365 pounds of smuggled heroin to supply Vancouver's addict population. These officials also state that 60 percent of the crime in British Columbia is drug-related.

Drug addiction and drug dependency has accelerated at an alarming rate throughout the world. Thailand, a major heroin producer, reports a drug addiction population estimated between 300,000 and 600,000; in Burma 20,000 individuals are registered for narcotics treatment; Iran reports an estimated 400,000 addicts and Mexico 50,000.

Egyptian law enforcement authorities estimate 3 to 6 tons of opium are consumed annually by 500,000 of that nation's drug users. The cultivation of poppy fields in Egypt has reached such grave proportions that the Director of the Egyptian Anti-Narcotics Administration, General Sami Assad Farag, recently wrote me that "There is the possibility that Egypt might become an illicit opium producing nation."

In Amsterdam, a major narcotics distributing center, overdose deaths occur at a rate of one a week among that city's 10,000 addicts and an additional 10,000 Dutch citizens are addicted to hard drugs. In France, approximately 100,000 individuals are dependent upon hard drugs; 13,000 in Switzerland; and in the United States approximately 450,000 heroin addicts reportedly spend $6 billion annually to support their habit. Reports from Japan indicate a substantial amphetamine addiction problem among that nation's citizenry.

Last November, as a member of the House Select Committee on Narcotics Abuse and Control that investigated and held hearings on drug abuse among our soldiers stationed in West Germany, I had the opportunity to see at first-hand the abundant availability and ease by which heroin, marihuana, cocaine, and other dangerous drugs are obtained in Germany. The purity of heroin obtained in West Germany averages 46 percent. I also learned from West German officials that each day one addict among that nation's 40,000 drug addicted population succumbs to an overdose. Berlin, Frankfurt, Amsterdam, Miami, Chicago, New York, Hawaii, and Vancouver have all become major narcotic distribution centers for the international criminal syndicates that profit from the human misery of drug dependency.

Unfortunately this data is only the tip of the iceberg. It does not account for the unknown number who are not reported as drug addicts. It does not include those who are not registered in drug treatment centers, or who are psychologically and physically dependent upon amphetamines, barbiturates, tranquilizers or who are are cross addicted by pills and alcohol. The data does, however, indicate what all of us know: that narcotics trafficking is big business, that it adversely affects the health and well-being of all our citizens. The critical question is: to what extent is the international community . . . the United Nations, the specialized U.N. commissions and boards such as this distinguished body . . . committed to combat effectively the onslaught of the illicit drug trafficking that is causing so much misery to our citizens and that is undermining our political, social and economic institutions and the moral values of our communities?

It has been reported that in 1978 only 38 nations (25 percent of the 151 member-nations of the United Nations) contributed or pledged a paltry sum of slightly more than $7 million, an amount that would not even purchase one offensive military aircraft. Only nine nations—the United States, Norway, Sweden, Saudi Arabia, the Federal Republic of Germany, Canada, Japan, France and Australia—contributed $100,000 or more to the United Nations Funds for Drug Abuse Control (UNFDAC). We cannot wage any global assault on narcotics on such a paltry budget. Such limited financing will not provide the equipment, the personnel and the programs needed to combat the international drug traffickers' sophisticated operations that reach into every corner of the world. We cannot effectively eradicate the illicit production of drugs at its source, educate our citizens regarding the dangers of drug abuse, and treat and rehabilitate those individuals who have become addicted to drugs, on such a pathetically small budget. It is appalling that those nations that have substantial drug problems have made minuscule, if any, contributions to the U.N. Fund. Nations that can afford to contribute to the Fund have made only token pledges of less than a few thousand dollars or are conspicuously absent by not contributing a single penny to the effort to wage "war" on drug abuse. Since its inception in 1971, the U.N. Fund's total receipts from all nations are less than $42 million, with the United States contributing almost half of that sum. The disproportionate imbalance by a few nations contributing the bulk of the Fund's financial resources still exists,, which many of my colleagues in the Congress find unacceptable. This financial imbalance must be corrected if UNFDAC is to be a viable organization effectively fulfilling its global mission.

Considering its critical nature, I find it shocking that efforts to combat drug abuse is assigned such a low priority by the U.N. General Assembly. Considering the small cash reserves projected by the end of 1979 for the U.N. Fund, together with the proposed reduction in UNFDAC programs, UNFDAC's proposed expensive move of its headquarters from Geneva to Vienna is untenable, poorly time and should be re-examined.

In December 1977, under the leadership of Congressman Lester Wolff, the distinglished Chairman of the U.S. House of Representatives Select Committee on Narcotics Abuse and Control, who was a member of the U.S. delegation to the U.N. General Assembly, the U.N. Assembly unanimously adopted Resolution 32/124, requesting this distinguished commission "to study at its next session the possibility of launching a meaningful program of international drug abuse control strategy and policies." Resolution 32/125, which was also unanimously adopted in December of 1977, appealed "to Governments for sustained contributions to UNFDAC by giving due consideration to the economic and social development provided in drug control programs financed by the Fund."

What has been done to implement these resolutions? I have been informed that not a single penny has been added to the budgets of those agencies devoted to drug abuse prevention and control. As the U.S. Representative to the U.N. General Assembly, the distinguished Senator from Connecticut (Senator Ribicoff) stated on in the General Assembly's Third Committee on November 28th, 1978:

"A resolution (32/124) was passed by the General Assembly last year calling upon the United Nations drug control units to take new and bold steps in controlling the drug menace. But not one dollar was added to their budgets. Even the voluntary contributions to the United Nations Fund for Drug Abuse Control have dwindled. By some estimates the United Nations and all other international organizations combined are providing only one-tenth of one percent of the resources necessary to control the abuse of drugs in this world."

On November 9th, 1978, at a donors meeting arranged at my request to help increase the contributions to UNFDAC, I stated to the Assembly representatives of member-nations of the U.N.:

"The time to translate our well-intentioned resolutions is at hand. We must translate our flowery speeches into action. We must pool our resources, personnel, funds, and technology if we are to effectively win the "war" on drug abuse.

"We have a common enemy . . . the highly organized, heavily financed illicit drug trafficking organizations. Accordingly, let us intensify our international efforts to combat their activities to interdict their narcotics trafficking, to eradicate their production of illicit drugs."

If the international community truly intends to wage a "global war" on drug abuse, and if we are sincere in creating a better world for all of us, then we must give the critical narcotics problem the high priority it requires. We must pool our resources, personnel, funds, technology; we must develop a comprehensive, coordinated strategy to interdict narcotics trafficking, to eradicate the illicit production of drugs at its source, to educate our citizens regarding the dangers of drug abuse, and to treat and rehabilitate those who have been addicted to drugs. The international community is far from achieving those objectives.

When we recognize that drug abuse is our common enemy and when we unite to conduct a concerted, international effort against this scourge of all mankind, then we will have started to do battle with the international criminal syndicates that feed upon a world-wide demand for illicit drugs. In the name of our future generations, I urge you and your colleagues to intensify your efforts to see to it that the U.N. Geneva Assembly regard drug abuse as top priority on its agendas, to provide UNFDAC with the necessary funds and resources to accomplish its global mission, and for the entire international community to translate its flowery resolutions into significant contributions to the U.N. Fund. When that objective is accomplished, then, hopefully the world will be a better place for all of us.

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UNITED NATIONS FUND FOR DRUG ABUSE CONTROL

THE 1978 CONTRIBUTIONS

| *Country:* | *U.S. dollars* |
|---|---|
| Algeria | 3,000 |
| Argentina | 8,000 |
| Australia | 48,220 |
| Austria | 48,872 |
| Bahamas | 500 |
| Barbados | — |
| Belgium | — |
| Brazil | 5,000 |
| Canada | 200,000 |
| Chile | 2,000 |
| Cyprus | 597 |
| Denmark | 19,932 |
| Egypt | 1,000 |
| Finland | — |
| France | 100,000 |
| Germany, Federal Republic of | 247,824 |
| Greece | 2,000 |
| Guyana | — |
| Holy See | — |
| Hong Kong | 21,607 |
| Iceland | 2,500 |
| Indonesia | — |

THE 1978 CONTRIBUTIONS—Continued

| Country: | U.S. dollars |
|---|---|
| Iran | — |
| Iraq | — |
| Ireland | 5,000 |
| Israel | — |
| Italy | — |
| Ivory Coast | — |
| Jamaica | 1,700 |
| Japan | 200,000 |
| Jordan | — |
| Kenya | — |
| Kuwait | 5,000 |
| Libyan Arab Jamahiriya | — |
| Liechtenstein | 1,000 |
| Malaysia | — |
| Malta | 516 |
| Mauritius | 500 |
| Morocco | — |
| New Zealand | 32,130 |
| Nigeria | 8,778 |
| Norway | 2,477,802 |
| Pakistan | 1,003 |
| Philippines | — |
| Portugal | 1,000 |
| Qatar | — |
| Republic of Korea | 1,500 |
| Rwanda | — |
| San Marino | 1,000 |
| Saudi Arabia | 250,000 |
| Senegal | 3,155 |
| Singapore | 1,000 |
| South Africa | — |
| Spain | — |
| Sri Lanka | 500 |
| Sudan | — |
| Surinam | — |
| Sweden | 535,070 |
| Thailand | 5,000 |
| Togo | — |
| Trinidad and Tobago | — |
| Tunisia | 2,338 |
| Turkey | — |
| United Arab Emirates | — |
| United Kingdom | — |
| United Republic of Cameroon | — |
| United States of America | 3,000,000 |
| Uruguay | — |
| Venezuela | 2,000 |
| Viet Nam | — |
| Yugoslavia | — |
| Total | 7,247,044 |
| Private contributions | 12,042 |

UNITED NATIONS FUND FOR DRUG ABUSE CONTROL, SUMMARY OF, 1978 CONTRIBUTIONS TO UNFDAC

[Paid or Pledged]

| | U.S. dollars |
|---|---|
| United States of America | 3,000,000 |
| Other countries (U.S. $100,000 and above) | |
| Norway | 2,472,300 |
| Sweden | 535,000 |
| Saudi Arabia | 250,000 |
| Federal Republic of Germany | 250,000 |
| Canada | 200,000 |
| Japan | 200,000 |
| France | 100,000 |
| Australia | 100,000 |
| | 4,107,300 |
| Other countries (less than U.S. $100,000) | 188,900 |
| | 4,296,200 |
| Total | 7,296,200 |

United States of America: 41.1 percent.
Other countries: 58.9 percent.

DEPARTMENT OF STATE,
*Washington, D.C., March 5, 1979.*

Hon. BENJAMIN A. GILMAN,
*U.S. House of Representatives.*

DEAR MR. GILMAN: I greatly appreciate your continuing participation in our efforts to increase international support for the United Nations drug control agencies. Your longstanding interest in improving the work of the UN Fund for Drug Abuse Control (UNFDAC) is widely recognized, both here and abroad. This recognition made your contributions of particular importance to our delegation's work at the recent UN Commission on Narcotic Drugs (CND).

The Commission meetings placed particular emphasis upon the Fund's work, as well as the support it receives from other governments. A copy of the U.S. statement given by Deputy Assistant Secretary of State George Dalley on these matters is enclosed. I invite your particular attention to pages 5 and 6 of this document, where Mr. Dalley refers to the statements you provided concerning the Fund. The value of our wide distribution of your views was demonstrated by the uniformly favorable comment which we received from other members of the Commission.

I was pleased to note that comments delivered by the delegation from West Germany complemented our own. The continually increasing interest in UNFDAC shown by the Germans has clearly been influenced by your efforts as part of our 1977 CND delegation, as well as by your discussions with German officials last November. I am enclosing a copy of the German presentation on the Fund to the Commission.

The efforts of you and your Congressional colleagues in support of international narcotics control are clearly paying dividends. Support for UNFDAC by other governments has steadily increased since your inteventions at the 1977 CND meetings when the U.S. was providing nearly three-quarters of the Fund's expenses. While our $3 million yearly contribution has remained constant, the share of the total contributions it represents has dropped to 42%.

Support for the Fund is clearly gaining momentum internationally, a momentum essential to continuation of the important demand reduction, crop substitution and narcotics control efforts it is undertaking. It is too early to estimate total contributions for 1979, but the $4.9 million of initial pledges made at Geneva are encouraging. Several countries increased their pledges over 1978: Australia contributed $1.25 million for the three-year period 1979–81. The Japanese Shipbuilding Foundation has promised $200,000 and the United Kingdom, contributed for the first time in years. The support of the Congress has been an essential ingredient in the pivotal U.S. role in awakening other governments to the importance of supporting UNFDAC. It is, however, vital not to allow the momentum we have generated thus far to flag by reducing our own contributions at this time.

I hope that you will be able to attend the next Commission meeting.

Best regards,

MATHEA FALCO,
*Assistant Secretary for International Narcotics Matters.*●

## THE 26TH ANNUAL REGIONAL CONVENTION OF CENTRAL REGION OF UNITED SYNAGOGUE YOUTH

### HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GRADISON. Mr. Speaker, it is with pleasure that I ask the Members to join me in congratulating the central region of the United Synagogue Youth on its 26th annual regional convention which will be held in Cincinnati, Ohio, March 30–April 1, 1979.

The central region of the United Synagogue Youth is one of 18 regions in the United States, Canada, and Israel, and its 1,200 members, located in 34 conservative synagogues in Ohio, Indiana, Kentucky, West Virginia, Pennsylvania, and Michigan, are an important part of the organization's international membership of 20,000 young people. This international organization for Jewish high school students, whose purpose is to bring about a meaningful and full reciprocal encounter of Judaism, the Jewish people and the synagogue on one side, and the Jewish teenager on the other, is aimed at serving the religious, cultural, and social needs of these young people. United Synagogue Youth's national programs include a wide ange of activities. A 6-week summer pilgrimage to Israel and a similar pilgrimage to Eastern Europe and the U.S.S.R. are featured, together with USY on wheels, a 6-week bus tour across the United States visiting national shrines and places of importance to our American heritage. In addition, members raise large sums of money for charity through the Tikun Clam program "Building a Better World," devoted to helping the sick, blind, displaced, and the Soviet Jewry resettlement program in Israel, among others. Many opportunities for study and social action are offered through a variety of publications and projects. The annual USY international convention attracts over a thousand young people in the organization. United Synagogue Youth is the largest Jewish youth organization in the world.

On the regional level, the organization's program includes all of the activities already mentioned as well as intensive study weekends, aimed at exploring topics in depth, leadership training institutes, and various conventions. Camp Crushy at Camp Levingston in Indiana, provides a week of learning, living, and studying about Jewish life.

This convention brings over 400 members of the central region together to enjoy a fun-filled weekend with a well-rounded program. The international president of United Synagogue Youth, Jeremy J. Fingerman, will pay an official visit to the convention this year. Dr. Irving S. Hellman, regional director, is entering his fifth year in this position. Mr. Robert Sugerman, youth commission chairman, is heading the adult supervision for the youth group. Rabbi Fishel J. Goldfeder, Rabbi of Adath Israel Synagogue, the host chapter, has spent many years working for the benefit of USY. These individuals help to make this convention and this youth group an important and valuable experience for Jewish teens. I look forward to many future successes and milestones for United Synagogue Youth's central region.●

## PUBLIC CAMPAIGN FINANCING BILL

### HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GINGRICH. Mr. Speaker, today the minority leader testified before the Committee on House Administration in

opposition to H.R. 1, the public campaign financing bill. His remarks made a number of important points that I think warrant the careful consideration of all Members of the House and I insert this testimony at this point in the RECORD:

TESTIMONY ON H.R. 1 BY CONGRESSMAN JOHN J. RHODES

Thank you, Mr. Chairman, for this opportunity to testify in connection with H.R. 1, the bill described as providing for public financing of Congressional elections. A more accurate label, I believe, would be the Tenure of Office Act, because I can think of no measure better designed to ensure permanent tenure for Members than by discouraging challenges to them, as this legislation certainly does.

Supporters of this bill describe it as an antidote to what they see as the problem of soaring costs of campaigning for office. I would suggest, however, that, far from spending too much on political campaigns, the American public may not be spending enough on what constitutes the most direct avenue for communication and information on candidates who seek election to public office. Certainly not in comparison to what the public spends in other areas.

For example, a total of 87 million 260 thousand dollars was spent in the primary and general campaigns by all candidates—Republican, Democrat, minor party and independent—who ran for the House of Representatives in 1978. That amounted to about 40 cents per person, not really an impressive percentage of the average family's budget.

H.R. 1 would reduce the cost of campaigning by setting a spending limit of $150,000 per candidate in the general election, and make up to $60,000 available on a matching basis. There are several major flaws in this approach, beginning with a serious question as to the Constitutionality.

If the aim of H.R. 1 is to force candidates to accept taxpayer financing, the measure is clearly unconstitutional under the *Buckley* v. *Valeo* test. This bill, however, seems to seek indirectly what the Supreme Court has ruled may not be done directly—that is, place a limit on the amount of personal resources a candidate may spend on his or her own behalf, or raise directly from the public.

I can find no other explanation for the bill's blatant bias in favor of the candidate who accepts taxpayer funds in a contest with one who chooses not to. A candidate who decides to seek support directly from the public is faced with the following when he spends over $25,000 of his own funds, or raises or spends more than $75,000 overall.

First, the spending ceiling is off for the H.R. 1 candidate. In other words, even if the non-subsidized candidate spends less than $150,000 in total, the subsidized candidate may go over that amount. Second, the subsidized candidate is eligible for an additional $60,000 in matching funds, for a total of $120,000 in taxpayer support.

I can picture a campaign in which the candidate who decides to go it alone at the outset raises a total of $200,000. He can find himself facing a subsidized candidate who raises the same amount privately, and also has a very nice additional cushion of $120,000 in taxpayer funds because he signed the requisite papers. The weight of this legislation clearly is to make it very unattractive for a candidate who seeks to go his own way, and to make it highly attractive for a candidate to opt for public funding and to accept the spending limits.

The bill also fails to comprehend that the Nation's 435 Congressional districts are not pieces of a homogenous whole, nor are the campaign requirements and situations all identical.

RHODES TESTIMONY

The funds available under this bill would be for use only in the general election. The campaigning periods for general elections, which usually begin after the primary election, are far from uniform. They range from over seven months in Illinois, which holds its primary in March, to less than four weeks in Hawaii, where the primary is in October. Nine states hold primaries in May, eleven in June, eight in August, 23 in September. Obviously, an important factor in the cost of a campiagn is its duration.

The same number of dollars that may be more than ample for a campaign of three or four weeks can't possibly support a campaign that may run 30 weeks, especially if the longer campaign is in a high cost metropolitan district. And that brings us to the fact that the costs of mounting an effective campaign, regardless of duration, vary immensely from district to district.

The differences in media costs alone, a major component in many campaigns, can vary by a factor of three or four. For example, the cost of a 30-second spot on prime time television in New York is nine thousand dollars. The same spot costs twelve hundred in Phoenix, and only six hundred in Raleigh, North Carolina. In the print media, a full page ad in the New York Times costs thirteen thousand four hundred dollars, while the same ad would be thirty-six hundred in the Arizona Republic, and twenty-seven hundred in the Raleigh Observer.

In other words, a Congressional candidate in the New York City area would have to spend roughly 15 percent of that 150 thousand ceiling for just one 30-second T.V. spot and one full page newspaper ad. The same items would cost a candidate in Phoenix forty-eight hundred dollars, or just over three percent, and thirty-two hundred dollars, just over two percent, in Raleigh.

There are scores of other differences among the districts. One may encompass an entire state; another a few neighborhoods in a major city. One may include large numbers of apartment dwellers; another may be marked by large numbers of single family homes in smaller communities. These differences require different types of campaigns, and they starkly demonstrate that a pluralistic society such as ours cannot be squeezed into an electoral straightjacket, as this measure seeks to do, without virtually destroying the system. It simply is not possible to set a blanket figure that can apply equitably and equally to all 435 Congressional districts.

Further, this measure totally ignores the roughly 600 thousand dollars available annually to incumbents in the form of staff and allowances. Nor does it touch upon the subsidized mailings and taxpayer financed radio and television shows which enable a Member to maintain a highly visible presence in the district between campaigns.

None of this, of course, is available to a challenger. In other words, H.R. 1 assumes that both challenger and incumbent begin their campaigns on equal footing. This simplistic notion may sound fine in a civics textbook, but it just isn't so in real life, and everyone in this room knows it.

While the stated intention of H.R. 1 may be to "reform" Congressional elections, it will actually be an unmanageable, administrative nightmare whose real results will be to further remove the electoral process from the people.

H.R. 1 is nothing more than a politician's welfare bill, as the Washington Post so aptly said in its editorial of yesterday.

As the Post noted in that editorial, the drafters of this bill propose, and here I quote, "to dish out public aid to politicians willy-nilly, with few of the administrative safeguards Congress demands in connection with food stamps, student loans or any other federal payments" close quote.

The editorial concludes, and I quote, "In a Congress so touchy about fraud and waste and bureaucratic snarls, a bill that's so unmanageable would not have garnered so many supporters if it benefitted anybody else" close quote. I fully agree with the Post's recommendations as to this bill, and ask that the editorial be made a part of my testimony here today.

In sum, H.R. 1, instead of opening up the electoral process, will make it more cumbersome, will add to the bureaucracy that already is too much with us, and will further discourage citizen participation in elections. It should be scrapped.●

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## OPPOSITION TO H.R. 1

### HON. JERRY LEWIS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. LEWIS. Mr. Speaker, the House Administration Committee held hearings today on H.R. 1, the public campaign financing legislation. The minority whip appeared on a panel with other members of the Republican leadership in strong opposition to that legislation. I commend the testimony of my colleague from Illinois (Mr. MICHEL) to all Members of the House and insert his statement at this point in the RECORD.

STATEMENT OF HONORABLE ROBERT H. MICHEL ON H.R. 1

Mr. Chairman, I thank you for this opportunity to share with your committee my views on H.R. 1. This proposal to fund Congressional campaigns with tax dollars is complex and involves many areas of controversy. I should like in my testimony to limit my comments to two major questions, recognizing that other questions will be addressed by expert witnesses.

The first question that H.R. 1 raises in my mind is this:

Why should tax dollars be used to pay for political campaigns?

This is, perhaps the most basic question to be asked. I don't intend to engage in a polemical discussion of this subject. As it were, I could have phrased my question differently. I could have asked, "Why should hard-working Americans start sending welfare checks to Congressmen?" Or I could have asked, "Why should tax dollars that could go to help the poor and the needy or provide for our national defense go to politicians so that they may buy balloons, buttons and bumper-stickers?"

But this subject is too serious for political polemics. At a time in our nation's history when the question of economically sound government is at the very heart of political debate—at a time of post-Proposition 13 taxpayer revolts and calls for a constitutional convention for a balanced budget—at a time when every tax dollar is being scrutinized—at a time like this, how can the Congress have the consummate arrogance to tell the American people that one of the best ways to use tax dollars is to give them to Congressmen or those who want to be Congressmen?

It could be argued that tax dollars for the financing of campaigns is something the public wants. Indeed, polls are quoted by supporters of H.R. 1 suggesting the country is breathlessly awaiting the chance to dole out tax dollars for Congressional campaigns.

But is this indeed the case? Is it true that the public is so dissatisfied with the current way of financing Congressional elections that it eagerly looks forward to public financing?

Polls can tell us anything we want to hear, depending on how one asks the question. But one infallible guide to what people believe is where they put their hard-earned money. Let's therefore look at the percent-

age of Americans who, since calendar year 1973, have designated that one dollar of their taxes should be used to finance Presidential elections:

In 1973, 10.2% said yes; in 1974, the figure was 13.6%; in 1975, it was 24.2%; in 1976, it was 25.8%; in 1977, it was 27.5%; finally in 1978, it was 29%. These figures are taken from testimony of the Treasury Department.

After five years of intensive propagandizing for public financing, five years in which every conceivable argument has been used to convince, shame, brow-beat, scare or cajole taxpayers into designating one dollar of their tax money to fund Presidential campaigns, more than 70% have in effect said "No".

Does this sound like a populace aflame with zeal to give money so that somebody can get elected to public office? As our British friends might put it: not bloody likely. The American people with their abstentions have, by an overwhelming majority, told the Congress what some of its members don't want to hear. I don't know about you, Mr. Chairman, but in my district if somebody gets beaten by a 70–30 margin that is considered a landslide defeat.

Based on information from the Treasury, about 42 percent of all taxpayers go to professional income tax preparers to do their figuring. According to previous testimony we learned that most of those professional organizations simply take it upon themselves to check-off the $1 presidential campaign contribution for their clients.

It is not inconceivable that out of the 29 percent minority who do mark the box, somewhere around one third of them may not even be aware that they are making the contribution. This bill shouldn't be H.R. 1, it should be H and R 1, appropriately christened in honor of one of the firms which has apparently kept the check-off system afloat this long.

As H.R. 1 is now written, there will continue to be one box that can be checked off on the income tax form with designated funds going to both Presidential and Congressional campaigns.

What makes anyone think that millions of Americans who previously have not decided to check that box will now do so? And, if they do not do so, are we being asked to believe that both Presidential and Congressional campaigns can be funded with the same amount of money now used to fund Presidential campaigns alone?

I know there is a surplus of $100 million now in the Treasury from previous Presidential financing funding, but what will happen when, inevitably, that surplus is used? In short, Mr. Chairman, how are you going to fund at least 870 different races and the Presidential campaign at the same time with approximately the same amount of tax dollars now used only for the Presidential campaigns?

I ask these questions because they involve one major claim that proponents of this bill always present in making their case. They say that this is what the people want. But the evidence shows quite clearly that the people —over 70% of them—don't even want to publicly fund a Presidential campaign.

Ironically one of the major arguments in support of H.R 1 is that it will eliminate special interests. But think of it for a moment: Is it not possible, indeed, is it not probable, that special-interest candidates and one-issue candidates will qualify for funds? How, then, can supporters of this bill say that it will stop "special interests"? To the contrary, H.R. 1 will be the single biggest boon ever to come to special interests, for all they have to do is set up candidates in given Congressional districts and qualify for funds. You will have the prospect of taxpayers seeing their dollars go to the very candidates they seek to defeat. If this happens—and it will, Mr. Chairman, if H.R. 1 becomes law—you will have increasing public disenchantment with the political process. Is that what we want? I don't think so, Mr. Chairman. And it is not what the public wants either.

All the arguments of the proponents of this bill fade into insignificance in the face of overwhelming taxpayer rejection of the principles upon which this bill is based. Despite one of the most intense efforts at public brainwashing, despite the use of politically potent slogans, "from clean politics" to "stop the special interests", the American people have not checked off that little box in substantial numbers.

If proponents of this legislation are so confident that this is what the public wants, let them simply put their faith to a test. Why not have two boxes on the tax form, one designated for Presidential financing, the other for Congressional financing? Let the people decide whether or not they want their tax dollars to go directly to Congressmen or candidates for Congress with whom they may violently disagree.

Mr. Chairman, I have a hunch the proponents of this legislation will not agree to having two boxes for one simple reason: They know that the resulting fiasco would make all their claims go up in smoke as the wide gap between dollars designated to Presidential financing and dollars designated for Congressional races becomes apparent.

My second question, Mr. Chairman, is somewhat related to the first: How can we justify to the American people a bill that will create a bureaucratic nightmare?

I will not burden you with the studies and reports that have been made about the Federal Election Commission's ability to deal with the current duties imposed on it. Just two days ago, on March 17, 1979 the Washington Post ran a story captioned "with '80 looming, FEG still Auditing Carter's '76 Drive." If the FEC cannot cope with the problems it now has to deal with, how is it expected to be able to cope with over 870 new ones? The answer of course is to expand its bureaucratic empire.

So what have the sponsors of H.R. 1 done? They have sent an extraordinary letter to Chairman Frank Thompson saying that a "misunderstanding" has arisen concerning H.R. 1. And what is that "misunderstanding"? Let me read to you verbatim:

"It is the intent of H.R. 1 that the role of the FEC be as minimal as possible, while at the same time assuring integrity of the process. Thus the administrative concept embodied in the bill is similar to that of IRS with emphasis on voluntary compliance plus post election audits of a representative cross section consisting of 10 percent of the participating candidates to verify compliance."

Mr. Chairman, with all due respect to those who are the chief sponsors of this legislation, the words I have just read are extraordinary. Can it be possible that the sponsors are asking the American people to give possibly $100 million or more—estimates are all we can use at this point—and then have "minimal" oversight and spot-check audit procedures to see to it that no fraud or abuse of tax dollars is involved? Do the American people really love their Congressmen or candidates so much that an audit of only 10 percent of those getting tax dollars will satisfy the taxpayers that the money has been well-spent?

Mr. Chairman, anyone who would believe that would believe anything. The fact of the matter is that the sponsors of this legislation are caught in a Catch-22 of their own making. If they admit the bill would need a bureaucratic empire to handle its complexities, they undermine their own credibility. And, if they *don't* get a bigger bureaucracy, the possibilities of fraud and abuse of tax dollars are practically endless.

Let's look at another extraordinary statement in that same letter:

"With respect to certifying matching payments to candidates, it is the intent of H.R. 1 that the Commission would certify each matching payment within 48 hours *without* comprehensive review of the entire submission, provided the submission included the proper documentation of contributions being submitted for matching purposes and a verification, signed by the candidate and campaign treasurer, attesting that to the best of their knowledge, all aspects of the submission are in compliance with the Act and FEC regulations."

Mr. Chairman, I get the distinct impression from the language I've just read that the important consideration seems to be how quickly the Federal tax dollar can be shoveled out regardless of the authenticity of the certification for the matching funds.

And what about relying on postal deliveries that are so unreliable? Will there be "regional" FEC offices set up to expedite submission of claims and dispatch of checks? Will there be state offices? Or will all the work be done in Washington with approximately the same number of employees that now takes more than one year to audit just one candidate's records?

Suffice it to say, Mr. Chairman, this bill will make the FEC the biggest and most powerful special interest the nation has ever known, the sole determiner of political life or death in many cases. Instead of the freedom we have now, we will have a system in which the FEC has a bureaucratic stranglehold on the electoral process. If you have ever tried to appeal a bureaucratic decision, you have some idea of what is going to happen to candidates who are caught up in the FEC machine.

The bill's proponents say the bill will go far to eliminate excessive spending that goes on in elections. I say that the only thing that will happen is that the spending will simply shift from the private to the public sector.

The bill's proponents say that H.R. 1 can work without a growing bureaucratic empire. I say that on the face of it this is simply not possible. And, if an empire is created, what has happened in every area of American life dominated by Federal regulation will happen in our electoral system: Disaster!

Private donations plus full disclosure—that is the combination that will preserve the freedom of Americans to support the candidates of their choice and give the people an opportunity to examine the contributions made to a candidate to see if any abuse was involved. So far as I'm concerned the people are much better judges than the Federal bureaucracy.

THE AMERICAN PEOPLE HAVE VOTED "NO" TO PUBLIC FINANCING

Percentage of Taxpayers designating check-off on their income tax return:

[In percent]

| | |
|---|---|
| *1973* | |
| Yes | 10.2 |
| No | 89.8 |
| *1974* | |
| Yes | 13.6 |
| No | 86.4 |
| *1975* | |
| Yes | 24.2 |
| No | 75.8 |
| *1976* | |
| Yes | 25.8 |
| No | 74.2 |
| *1977* | |
| Yes | 27.5 |
| No | 72.5 |
| *1978* | |
| Yes | 29.0 |
| No | 71.0 |

Source: U.S. Treasury Dept. Figures, March 1979.

"H. AND R. 1 BLOCKBUSTER"

Percentage of taxpayers designating check-off after removal of estimate of "accountant-processed" returns:

[In percent]

| | |
|---|---|
| 1973 | 6.8 |
| 1974 | 9.1 |
| 1975 | 16.2 |
| 1976 | 17.2 |
| 1977 | 19.4 |
| 1978 | 20.4 |

Source: Estimates based on U.S. Treasury Dept. Figures for 1973 to 1978 which indicate on the average that 44% of all returns are completed by someone other than the taxpayer.●

## TESTIMONY ON H.R. 1

## HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. BADHAM. Mr. Speaker, in hearings before the Committee on House Administration on H.R. 1, the public campaign financing bill, my colleague from Mississippi, Hon. TRENT LOTT, testified in opposition. In presenting his testimony my colleague made some very important points. I wish to share his remarks with all Members of the House and insert his testimony at this point in the RECORD.

TESTIMONY OF HON. TRENT LOTT

Chairman Thompson and Members of the Committee, I am pleased to be here today to discuss H.R. 1.

As Chairman of the House Republican Research Committee, I have carefully studied this program of public financing of general elections, and, very frankly, I am quite concerned about H.R. 1 specifically and the concept of taxpayer financing of Congressional campaigns in general.

The Washington Post yesterday pointed out some of the misleading statements that supporters of this bill have made. Let me quote briefly from the editorial:

The agency's head [Federal Election Commission chairman Joan D. Aikens] told a House committee that the proposed welfare payments could amount to $44 million, twice what the plan's sponsors had guessed. She said, that the sort of supervision the congressmen prefer would be inadequate, and that strict enforcement would require nearly doubling the agency's budget and staff. Moreover, she said, the agency would have to shovel out funds so fast that fraud and abuse could not be prevented—and recouping improper payments later would be very hard. Finally, she testified that key parts of the plan are simply unworkable."

In short, we have been led astray as to the cost of the program, the size of the bureaucracy needed to control the program, and the object of its affection, that is who will stand to benefit from it.

In addition to the problems already raised, I have several questions regarding how this legislation will work.

(1) How will it apply to open primaries?

In Louisiana last year seven of the eight House seats were filled in the primary election. Thus in seven districts, incumbents were reelected and neither they nor their challengers would have been allowed to apply for this new public financing program.

And Louisiana may not be the only state with such a system, my own state of Mississippi is considering such an election procedure.

How can this new federal program be conducted fairly for those running in states which have such laws? The obvious solution, I suppose, is to fund primaries as well as the general election. Then the problem is fairness versus cost.

(2) How will this legislation control special interest?

The way the bill reads it will be necessary to raise $1000 in contributions of under $100 to qualify for the program. That $1000 will then be matched by taxpayer funding. This leaves $193,000 that can be raised, for example, by receiving $13,000 from the party and $5000 from 36 PAC groups. Such an example complies fully with the law and PAC groups in such a case would provide $180,000 of the $195,000 campaign funding total. Obviously an incumbent could use this system to his advantage more easily than a challenger.

In fact this would be a better way for a candidate to raise his money, bookkeeping would be easier, and the legal snarls and costs often involved in campaign fund raising would be avoided.

(3) How is it fair considering the different primary schedules in the fifty states?

A candidate in Illinois has $150,000 to run an eight month campaign, where as a candidate in Hawaii has $150,000 to run a one month campaign.

The incumbent seems to gain the advantage in both places. In Illinois because it is tough to defeat an incumbent on less than $19,000 a month, and in Hawaii because most challengers can not raise $60,000 in contributions of under $100 in four weeks.

The federal government could, I suppose, take away the right of the states to time their own elections and establish a national primary day to solve such a problem.

(4) Can not incumbents force challengers to take public financing?

If an incumbent signs the agreement to accept public financing, then his challenger must also accept public financing or be limited to a $75,000 effort to defeat a $150,000 incumbent campaign.

Naturally the challenger could spend more than $75,000 but then the incumbent who accepted public financing would be allowed to qualify for another $60,000 in matching funds. Practically this means that an incumbent would have $315,000, a total of $120,000 of which came from the taxpayers' fund to counter his evil challengers. How many challengers can guarantee in the first week after the primary that they can raise $315,000, none of it from the government, to counter the incumbent's subsidized campaign?

(5) How will the spending limits be enforced, and what will the penalty be for breaking them?

Without an enormous increase in staff and bureaucracy, according to Mrs. Aiken, the spending limits will be useless.

If the penalty for breaking them is a relatively small fine and a congressional seat, some will surely be willing to take the chance. Obviously anyone elected will be accepted here.

(6) How can the problem of increasing labor union influence in elections by limiting other forms of participation be solved?

In the 1976 Presidential campaign, as Michael Malbin of the National Journal has shown, public financing, by limiting the way some money could be spent, increased the power of other big spenders who were not limited by the law. "The biggest winner was organized labor." They gave an estimated $11 million worth of aid to President Carter that enabled him to outspend President Ford substantially.

Campaign financing by limiting spending will emphasize the importance of the unreported "in-kind" services labor unions used on behalf of Jimmy Carter in 1976, e.g. precinct workers, telephone banks (10,000,000 calls in 1976), registration drives, and subsidized mail (80,000,000 pieces in 1976).

(7) How will it work in states where there are traditionally more than two candidates on the general election ballot?

In Mississippi there are often more than the two party candidates. Since the bill does not provide for a pro rata distribution of money within a congressional district, presumably independent candidates who have no primary could raise and apply for matching funds and use all the district money before the Republican and Democrat nominees are certified.

By this time we all ought to be aware that any restrictive legislation we pass has unintended effects. It always helps some to the detriment of others. These are a few of the problems public financing legislation would cause. We should very carefully examine this legislation to find all of the unintended effects we can.

Still there are more profound effects than just the technical problems. How are we to compensate individuals for limiting their right to be involved in the electoral process? Should one group be able to determine how the people can and cannot participate in the system? What does that do to their interest in the system?

As the Post noted, public financing of Congressional campaigns is a welfare program. In this case however it is redistribution to the greedy, not the needy. Never before has Disraeli's assertion that politics is a "career of plundering and blundering" been more in evidence.

Rather than prove Disraeli right let us rely on the wisdom of Thomas Jefferson:

"I know of no safe depository of the ultimate powers of the society but the people themselves; and if we think them not enlightened enough to exercise their control with a wholesome discretion, the remedy is not to take it from them, but to inform their discretion."

Thank you, I will be happy to answer any questions you may have.●

## AN END TO AN OBSOLETE FEDERAL LAW

## HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. SAWYER. Mr. Speaker, one of the major tasks before the Congress is to stop unnecessary Government spending and slow down the spiral of inflation. We vitally need to make certain that the Federal Government gets full value for the money it spends. It is admittedly difficult to develop specific legislation to remove costly, out-of-date regulations that add unnecessarily to the burden of inflation. That is why it is critical that we take swift and positive action when given the direction and the opportunity.

The General Accounting Office, an independent arm of the Federal Government, has just completed a comprehensive investigation which has brought to light a program which annually results in at least $715 million in unnecessary public construction and administrative costs. That program is the Federal prevailing wage law, more commonly known as the Davis-Bacon Act, and I am today introducing legislation to repeal it.

Davis-Bacon generally provides that contractors who work on construction projects which use Federal funds must pay their workers not less than the "prevailing wages" for an area. Prevailing wages are compiled by the U.S. Department of Labor and seek to find a rate of wages that is comparable to actual wages of the local area.

This action was born during the worst depression ever experienced by this Nation when construction, a majority government financed, was at a low point involving only about 800,000 workers. Competition was great and there were no minimum wage laws, no unemployment compensation program or other laws to protect the wages of workers.

During the Great Depression, the intent of the act was to prevent contractors from low-wage areas from coming into higher wage areas with workers who would displace local people. It has, however, remained on the books adding billions of dollars unnecessarily to construction projects over the years.

According to GAO, there have been significant changes in economic conditions and worker protection laws since the 1930's so as to make Davis-Bacon obsolete. As an example, Congress has enacted a number of laws to protect the wages of construction workers including requiring that minimum and overtime rates be paid and prohibiting contractors from requesting kickback of wages.

Other problems plague Davis-Bacon. The act has been and continues to be impractical to administer. In 1977, the Labor Department made "prevailing wage" determinations' for more than 15,000 federally funded projects. According to GAO, the Labor Department determined high on about 40 percent of the projects, increasing wages by $500 million and adding another $215 million in administrative costs to the Federal Government's expenditures for construction.

A further problem surrounding the wage rate determination has surfaced in the GAO evaluation. According to their report, "About one-half of the area and project determinations reviewed were not based on surveys of wages paid to workers in the locality, but upon union negotiated rates." This heavy reliance on union wages has caused even more severe disruption of construction costs in west Michigan where 90 percent of construction workers are nonunion. As a result, the rates issued by the Labor Department are substantially higher than the actual wages paid on similar private construction projects in the locality.

This has had a severe impact upon our inflationary spiral. When a contractor is forced to pay excessively high "prevailing wages," it not only tends to raise the costs of that particular project, it also tends to drive wages higher on all projects. Employees feel that they should continue to receive high labor rates after a Federal job is completed. This spillover impact on local construction wages paid on private work is perhaps the most serious effect of the Davis-Bacon Act. This private sector cost has been estimated at $1.78 billion bringing the total price tag of Davis-Bacon to $2.7 billion.

The Fifth Congressional District is not insulated from the impact of the Davis-Bacon Act. According to one public official in my district, the cost of a project funded with Federal money could have been reduced by 50 percent without Davis-Bacon. In another instance, a complete project was canceled because under the Davis-Bacon the bids were too high. This needless waste of taxpayer's money is absurd.

We can no longer talk about repeal of this archaic law, we must now have action. This bill which I am introducing to repeal the Davis-Bacon Act is an indication of my serious commitment to eliminate redtape bureaucracy and reduce this uncalled-for inflationary pressure. The time has come to repeal this expensive, unneeded, and outdated law.●

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## BIAGGI DENOUNCES DECISION BY LEADING AMERICAN BUS BUILDER TO REJECT BID ON TRANSBUS

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### HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES


*Tuesday, March 20, 1979*

● Mr. BIAGGI. Mr. Speaker, I wish to express my outrage over a published report in last week's Washington Post which stated that Grumann Flexible, one of this Nation's two major builders of transit buses has decided not to bid on the contract to manufacture the first 500 Transbuses. As my colleagues will recall, the Transbus was the vehicle chosen by the Congress to promote unprecedented levels of transportation accessibility for the millions of elderly and handicapped of this Nation.

I was the author of an amendment to the 1978 Surface Transportation Assistance Act which reaffirmed congressional support of the Transbus and required that beginning by September of this year, all buses purchased with Federal funds must begin to adapt the low floor wide door features of the Transbus. I consider the decision by Grumann to be indicative of a lack of commitment to the clearly demonstrated and documented transportation needs of the elderly and handicapped. Further, it demonstrates arrogance.

This represents another chapter in an arduously slow and frustrating battle to implement the 1970 Biaggi amendment to the Urban Mass Transportation Act which made it national policy that mass transportation must be accessible for the elderly and handicapped. For the ensuing 7 years I waged war with the Department of Transportation simply to have them promulgate regulations to implement my amendment. Finally when my former colleague Brock Adams assumed the position of Secretary of Transportation was the stalemate broken. In April 1977 Secretary Adams issued the so-called Transbus Mandate. This stated:

". . . effective September 30, 1979 buses purchased with Federal funds must be equipped with wide door, low floor features to permit use by the elderly and handicapped."

This represented real progress. Yet just over 1 year later a last ditch attempt to gut the Transbus was made in the form of a provision in the Surface Transportation Act delaying implementation of the mandate for some 18 months. Those of us deeply involved with this issue recognized that any further delay would effectively end the project. I sponsored an amendment striking this delay citing that Transbus was chosen after the Department spent some $27 milion on studies to determine the optimum vehicle. I went even further and worked closely with the Department to insure that where feasible areas could choose between a ramp and a lift on their buses. The amendment was approved and became part of the public law.

This we had hoped was the last tactic to delay this fundamental human right. Unfortunately we were wrong. Grumman has stated its position not to bid, General Motors is making noises that they too will not bid. This presents the Secretary with the choice of turning to foreign bus companies to bid. This is a sorry state of affairs. I call on the Secretary not to abandon the Transbus efforts. It constitutes a vital initiative as buses comprise 75 percent of mass transportation.

I am chairman of the Subcommittee on Human Services of the House Select Committee on Aging. My subcommittee has primary jurisdiction over matters related to elderly transportation and in this Congress we will be assuming jurisdiction over concerns of the elderly handicapped. Certainly accessibility is one of the foremost issues in transportation today and I intend to have my subcommittee investigate this issue very closely in full consultation with the Department of Justice.

Our record in providing full transportation services for the millions of elderly and handicapped has been mediocre if not downright poor. I have fought for 9 years to improve this record and I intend to continue.

The transbus mandate will be honored.

At this point in the RECORD, for background purposes, I insert the aforementioned Washington Post article:

FIRM DECLINES TO BID ON BUS ACCESSIBLE TO HANDICAPPED

(By Douglas B. Feaver)

One of the nation's two major builders of transit buses said yesterday that it will not bid on a contract to manufacture 503 new buses that, by federal regulation, are the only kind transit authorities can buy with federal aid after September.

The announcement yesterday by Grumman Fixible makes it probable that no American firm will seek to sell the controversial new vehicle, called Transbus. Transbus is mandated to have low floors and ramps to make it fully accessible for wheelchair occupants.

General Motors Corp., the other American builder, has been rumored for months to be out of the running in the Transbus stakes. GM spokesman Frank Ferone said yesterday, "We're still in the process of studying those specifications and in all honesty it does not appear likely that we will bid."

Bid-opening on the first Transbus order has been postponed from this month to May. Several foreign manufacturers have expressed some interest in Transbus, but it is not known if they will bid. Federal transit legislation includes a strong "Buy American" clause, but a provision would permit

Transportation Secretary Brock Adams to waive that clause.

Adams has been a strong supporter of the Transbus program and has insisted that the specifications were within the capability of American manufacturers. He said yesterday that "I am very disappointed that [Grumman Flxible] has said they do not intend to bid. I hope that General Motors, with its multimillion-dollar operation, will help us carry out the promise to make an accessible bus."

Adams said it "would be a shame if we have to go abroad." If nobody bids, he said, "Then I will have to take a look at the program. But I'm not going to falter at this point."

Thomas J. Bernard, Grumman Flxible's president, said "that we made what we think was a good-faith effort to try to be responsible." However, he said, "development of Transbus was a tremendous technological risk"; that the "terms and conditions of the contract presented an onerous business risk," and that existing buses already solve "80 percent of the accessibility problem."

Both Flexible and GM are now selling new-look buses for about $105,000 to $120,000 each. Both have contended that those buses meet most of the requirements of full accessibility plus use proven technology. Proponents of Transbus have charged that GM and Flexible have attempted to torpedo the Transbus program so they could recover development costs on their new-look buses.

Bernard said yesterday that Flexible estimated roughly that each Transbus would cost about $230,000—about twice the cost of a new bus today.

The Department of Transportation, he said, "has been seeking a more productive bus. We believe that a bus that weighs more, gets fewer miles per gallon, has fewer seats and less standing room is not a more productive bus."

The specifications for Transbus were drawn after three manufacturers built prototypes and after years of hearings and debate. Transbus has been vigorously supported by the increasingly well organized lobby for the handicapped.

When the Urban Mass Transportation Administration, one of Adams' agencies, mandated Transbus last September, it agreed that the September 1979 deadline could be changed if it proved unrealistic. UMTA grants provide 80 percent of the purchase price for new buses. Local authorities pay the other 20 percent.●

## BAD NEWS FOR TEENAGE AMERICA

### HON. STEVEN D. SYMMS

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. SYMMS. Mr. Speaker, I would like to submit to the RECORD a one-page public service message which appeared on page 19 of the Wall Street Journal of March 19, 1979. Alton S. Newell, chairman of the Newell Manufacturing Co. in San Antonio, Tex., makes some terrific comments about the dire and foreboding pictures of our future world that are presented to our young people, and states that these depressing scenarios are a bunch of "baloney."

I really appreciate the efforts of the Newell Manufacturing Co., and I urge my colleagues to take a few minutes to read this positive statement on the importance of the individual and "what's right with America."

BAD NEWS FOR TEENAGE AMERICA

Fate has played a dirty trick on you. You couldn't have been born at a worse time. Since you were born about 16 years ago the world has really gone to pot. You came into a world you did not make and under conditions over which you had no control. Therefore, my sympathy really goes out to you.

Just when you are ready to get your first automobile there will be no gasoline to run it. Even if you had gas you couldn't drive into the city because the air is too polluted there. If you had a car and gasoline and they let you into the city you could be murdered. Madmen are lurking everywhere. If you want to survive, you must crouch in the shadows in the asphalt jungle.

Now, on a wider scale, they tell us the rivers, lakes, and streams, and even the ocean, are all so polluted they will soon be unable to support life. Such fish as you will be able to catch will be so full of mercury they will be poison to eat. The atomic age is so fast changing our weather that our now fertile valleys will be turned into deserts. World-wide food shortage is just around the corner. Massive uprisings will take place all over the world as brother fights brother for the last morsel of food that is gleaned from the sterile earth. The nuclear power plants are spewing out radiation to the extent that many people born today will not reach maturity. Those who do survive may exist as living vegetables. The ozone layer is being destroyed. The ice caps will melt and the oceans will flood our cities and we'll be eaten up by skin cancer. Excuse me while I go jump in the bed and cover up my head.

Now, young people, if I have scared the pants off of you, you can put them back on. I have good news for you too. All of the baloney set out above has been conceived and is being broadcast by those who would destroy America. It comes from the do-gooders, and the no-gooders, the malcontents and born losers. In some cases, it comes from the brainwashed who cannot, or will not, think for themselves. Some people live under a cloud of negativism that makes them believe that, for them to succeed, someone else must fail. Their satisfaction is derived from the destruction of ideas that come from others. Where their intelligence ends they substitute noise and massive demonstrations. They get so much publicity their tribe is increasing. It is time we put them out of sight and out of mind and continue our effort to build a better world.

Let us examine more closely some of the fallacies with which we are being bombarded. Take a look at our energy effort which our President has described as the "equivalent of war". An energy department was recently organized with twenty thousand employees and a ten billion dollar budget. (Or was it vice versa?) Not one of these employees or dollars is supposed to produce any energy, but are there to regulate the exploration, production and pricing of this vital commodity produced by Free Enterprise. The government is spending more money per year regulating than the entire net profit of the petroleum industry and is hurting, not helping the efforts. Millions of acres of land that almost certainly contain billions of barrels of oil, have just recently been put off limits to oil exploration and production. Other proven reserves have been locked up by those who put more value on the tail feathers of a pelican than they do on our need to survive.

A little three inch (or is it two inch?) snail darter is holding up a hundred million dollar project. I don't believe the little fellow could care less where he swims, but I'll bet he is enjoying his influence.

More than fifty nuclear power plants are operating in America. Some of them for more than twenty years, without an accident. Now, our progress in this area has slowed to a trickle while most of the world goes ahead full blast. Our engineers and facilities are being used to build nuclear plants in other countries. We have a coal supply that can last five hundred years. Our engineers have taught other countries to make gasoline from coal. We can burn alcohol made from grain. Though a food shortage had been predicted for now, just this year millions of acres of land have been taken out of production to cut down the surplus. Last year in Australia cattlemen were killing the cows and burying them because they didn't have a good market for beef.

Three volcanos in the world have put out more pollution than all of man's activities since the beginning of time. The oxygen in the air we breathe has not varied one tenth of one percent in the seventy-five years it has been monitored. Some scientists recently took a large fish off the wall of a museum where it had been hanging for 75 years and found the same percentage of mercury they find in fish of today's "polluted" water. More than fifteen million tons of fresh water per second falls on the surface of the earth. Crime in our country will diminish when we once again make the punishment match the crime.

Now young people, I hope that I have convinced you that you don't have to sit around wringing your hands, waiting for the end to come. You can change the world. I can just hear someone ask, "what is there left to do?" I asked the same thing when I was a boy! The automobile, the airplane, the skyscrapers, were already made. It's a shame we can't see into the future, but we must realize that the future will be what we make it. Don't ever think that all things are done. Twenty-five percent of the things in the stores today were not on the shelves when you were born. We are just now entering into the electronic, the computer, and the space age. Since you were born man has walked on the moon and probed other planets with sophisticated robots. In the past few years the dreadful disease of polio has been brought under control and the last case of small pox in the world has been cured. With all the opportunities that lie ahead, what an exciting time to live!

As you look out at the teaming masses of people in the world you may want to ask "what can one person do?" Ever hear of a man by the name of Ralph Nader? A woman by the name of Madelyn O'Hare? A man named Howard Jarvis? Good or bad these people are effective and their influence has spread across America. Henry Ford put America on wheels. The Wright brothers put the world in the air. Thomas Edison had over a thousand patents to his credit. What can one person do? Just about anything they want to do, if they are willing to pay the price. Go out tomorrow and start filling the gap between what you are and what you would like to be. Set your goal on the highest star and follow it there. You can make the world a better place before you leave it, than it was when you arrived. Fasten your seat belt. It's your move!●

## THERE IS STILL A NEED FOR ANTI-RECESSION FISCAL ASSISTANCE

### HON. ROBERT W. EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. EDGAR. Mr. Speaker, as chairman of the Northeast-Midwest Congressional Coalition, I testified last week before the Senate Finance Subcommittee on revenue sharing, intergovernmental revenue impact, and economic problems

on the need of many communities for continued antirecession fiscal relief such as that proposed in the administration's countercyclical revenue sharing measure.

Although the national economy has improved since the 1974 and 1975 recession, many of the older industrial urban areas, most of them in the Northeast-Midwest region, continue to suffer from high unemployment and slow economic growth and stand to be severely affected if the predictions of a downturn in the economy toward the end of the year are realized. My testimony contains a number of significant statistics which point to the needs of many distressed units of government for continued supplementary fiscal assistance. Therefore, I would like to share my testimony with my colleagues in the House and Senate who have an interest in this important issue:

TESTIMONY OF THE HONORABLE ROBERT W. EDGAR

Mr. Chairman, Members of the Subcommittee, I am pleased to have the opportunity to appear before you today. I am not here to testify on the specifics of the various countercyclical proposals before the Subcommittee, but to convey the urgency and the severity of need for financial relief on the part of state and local governments. For many parts of this country, the recession is not over. And predictions are that it is going to get worse.

This thesis goes against conventional wisdom. Last year, we in Congress heard many arguments to the effect that the Nation's economic woes were over and indeed, the fiscal condition of state and local governments had improved markedly from the time of the 1974–75 recession and the national unemployment rate was the lowest it had been in some time.

As a result, opponents of the labor intensive public works bill and the countercyclical revenue sharing bill were successful in arguing that there was no longer any justification for continuing these programs, and, consequently, these programs went down to defeat in the closing days of the 95th Congress. Some went so far as to herald 1978 as the year marking the end of the urban crisis.

But the truth is that the urban crisis is *not* over in many of our cities—it continues and is likely to intensify if the gloomy predictions about the economic downturn in the latter part of the year are borne out.

The recession has not ended in many of the older industrial urban areas and the more isolated counties of this country. It certainly is not over in my city of Chester, Pennsylvania which still has an unemployment rate of 13.3 percent. Nor, Mr. Chairman, is it over in your cities of Newark or Camden which continue to have unemployment rates of 13.0 and 12.1 percent, respectively. Areas such as Buffalo, St. Louis, and Chicago also continue to have unemployment rates in excess of 9.0 percent. Nor is it over in the 14 states which had jobless rates greater than 6 percent during the last 2 quarters of 1978. Over half of these states are in the Northeast-Midwest region.

The data also shows that almost 5,000 local governments had unemployment rates in excess of 8 percent. Again, the overwhelming majority of these communities are in the Northeast-Midwest region.

Nor is the jolt of the 1975 recession over for those state and local governments which continue to experience slow employment growth. Sixty-five percent of all new jobs between 1975 and 1977 were outside the Northeast-Midwest region.

Finally, the recession is not over in those state and local governments which continue to face the difficult task of meeting high demands for services from the diminished tax base of a stagnant or declining economy. While the economic recovery relieved much of the fiscal strain on the state and local governments, it was not evenly distributed. While states with high per capita income growth have tended to benefit from our mild national recovery, states with slow income growth have faltered. Again, we see a regional difference. 84 percent of the state surplus occurred in the South and West with most concentrated in the three states of Alaska, California, and Texas. Only 15 percent occurred in the Northeast-Midwest region.

The fiscal problems of local governments often result more from longrun changes in economic activity and population movement than from cyclical shifts in the economy. Indeed, the problems of local governments may be more related to high levels of sustained unemployment than changes in the jobless rate. On the revenue side, these local governments suffer from declines in their tax bases as industry and people leave. On the expenditure side, the pressure for spending does not necessarily decline with shifts in population and employment. The cost of maintaining existing physical capital does not decline proportionately with population; often more must be spent on bridges and streets, police and fire protection. In short, the remaining population often needs more public services per capita than those who left.

One measure that distinguishes levels of financial difficulty among local governments is the existence of cumulative budget deficits. In a study commissioned by the First Boston Corporation, Philip Dearborn examined the 1976 and 1977 financial records of 28 cities. Ten cities were found to have run deficits during this period. Most of these cities, not surprisingly, were in the Northeast-Midwest region. Conversely, municipal surpluses were found to be increasing faster in the South and West than in the Northeast or Midwest.

Another way of looking at local economic performance is to examine the overall cash position of local governments. Local governments, like businesses, experience financial emergencies when they run out of cash. Here again, the cash position of local governments in the South and West also grew faster than those in either the Northeast or Midwest.

Not surprisingly, cities in the Northeast which had the most deficit spending and were in the worst cash position, also had the highest tax rates.

A recent Treasury Department study which analyzed the fiscal effects of withdrawing antirecession fiscal assistance from fiscally distressed urban communities focused on the 48 largest cities and classified them according to high, moderate and low fiscal strain. High fiscal strain was related to large declines in population, relative per capita income, property values and increases in per capita own source revenue and long-term debt. Of the 16 cities in the Northeast-Midwest region included in the study. 8 registered as high strain; 7 as moderate strain; and 1 as low strain.

It was against this background of differential economic activity and growth that President Carter, last week, added that enactment of countercyclical legislation to his 1979 domestic agenda. In his message to Congress, the President stated:

"Fortunately, nearly four years of national economic recovery have produced great progress in restoring the fiscal health of most of these communities. However, a number of communities still are experiencing severe fiscal problems and need more time to recover."

In fact, this new fiscal assistance legislation should prove more beneficial to the Northeast-Midwest than the program which expired last October. That program would have "triggered-off" when the national unemployment rate went below 6 percent either for one quarter or for the last month of a quarter. On the other hand, the new version will continue to provide aid to jurisdictions with high individual rates of unemployment regardless of the national unemployment rate. Removing the national 6 percent cutoff and retaining a base appropriation will insure that those places which have not fully recovered from the recession still would receive aid.

However, I do have some problems with the Administration's proposal—the legal minimum trigger is too high, too few governments are eligible to receive assistance, and the total allocation for fiscal year 1980 is only equal to what New York City would have received under the Administration's previous Supplementary Fiscal Assistance proposal. But I am not here to nitpick about these provisions. Rather, I am here to talk about what would happen to fiscally distressed units of state and local government if this program is not enacted. First local taxes will have to be raised in the communities which can less afford increase. Second, and most importantly, the hardest pressed communities will have no defense against an almost certain economic downturn.

While the Administration forecasts that we will see only a gentle turndown in the economy by the fall the Congressional Budget Office has issued a much gloomier forecast.

Several other major economic forecasters also predict a recession. Chase Econometric's expects a real negative growth rate to begin in the second quarter of this year and continue through the third and fourth quarters. Chase also predicts the unemployment rate to average 6.6 percent in 1979 and reach 7.4 percent by the end of the year.

Data Resources, Inc. (DRI) predicts a negative growth rate for the third and fourth quarters and an average 1979 unemployment rate of 6.5 percent. DRI anticipates that rate to rise to 7.1 percent by the end of the year.

If these predictions are realized and there is a recession, a reduction in funding of the antirecession programs would more severely affect the older, more industrial sections of the country.

Reporting on the continuous waves of recession experienced in the early to mid-1970's the Advisory Commission on Intergovernmental Relations stated that "the recessions of the 1970's were largely confined to New England, Mideast and Great Lakes states." More recently, ACIR predicted that "If (another) slowdown were to occur for any extended period, the fears about the possible decline of older industrial regions might well be realized."

I would like to close my remarks by urging this Subcommittee to act promptly to report out a fiscal relief measure. Without such action on the part of the Senate Finance Committee, the Speaker has warned us that we will see a rerun of last session's 11th hour attempt to move the legislation to the House floor.

Thank you.●

## PRESERVING FREE ENTERPRISE

### HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. ABDNOR. Mr. Speaker, a recent essay contest sponsored in South Dakota

high schools by the Karl E. Mundt Historical and Educational Foundation and the Greater South Dakota Chamber of Commerce, amply demonstrated that young people of today are concerned about the preservation of our system of government. I am pleased to commend to my colleagues the prize winning composition of Mark Timmerman, a senior at Watertown, S. Dak., high school.

WHY OUR FREE ENTERPRISE SYSTEM MUST BE PRESERVED AND STRENGTHENED—MARK TIMMERMAN, WATERTOWN HIGH SCHOOL, WATERTOWN, S. DAK.

Many leaders of very powerful nations of the world have eliminated or tried to eliminate the free enterprise system from their way of life in their country.

Elimination of the free enterprise system in our country, I feel, would prove to be disastrous. The reason is two fold. First, the United States Constitution was set up in a way that people would be free. Of course, along with the free enterprise system came the other basic freedoms we so desperately thrive on; those being freedom of speech, press, religion and petition. By eliminating the free enterprise system we would be moving away from our basic idea of freedom in our country, thus, losing many of our freedoms that we have enjoyed for over two hundred years. On this same train of thought, I feel the down-shifting of our free system would harm the rest of the free world. If the United States, by far the strongest country in the free world, was viewed by other free countries as a country losing the basic freedoms, they too would lose their free system.

My second reason for feeling why we must preserve our free enterprise system is that if it were eliminated it could only be replaced by the opposite system—the state owned economy. Examples of state owned economic situations can be found in major countries of the world. The two biggest are the Union of Soviet Socialist Republics and The Republic of China. Quickly glancing at these two countries it is easily seen that the state owned economy is not the best system. The reason that the people don't like the system is because they lose their free choice of jobs and the freedom to succeed to their abilities. This can be seen by the fact that production in those two countries is forty percent below that of United States workers per capita. The USSR and China have already recognized this problem. To try to help alleviate the problem they have in many areas of commerce implemented the free enterprise system. This proves once again that we now have the superior alternative in economic systems.

I have already established the fact that the free enterprise system must be preserved. Now I will turn my thoughts to the strengthening of the free enterprise system. Before I do this it must be realized that our form of free enterprise is not completely free. The fact is that our free enterprise system has many laws and restrictions, thus, our system cannot be considered completely free.

We must realize, however, that those laws and restrictions were put there for a very good purpose and without them we probably wouldn't have a free enterprise system today. To fully realize this need for the restrictions I turn to an example where they were actually needed. A good example of this would be in the early 1800's, the time of the great financier Pierpont Morgan. It seems that the free enterprise system was working so well for Morgan that he was swallowing up one major corporation after another, leaving him with more power than the United States Federal Government. Because of these happenings, laws had to be made to break up giant conglomerants, thus strengthening our free enterprise system.

Through past examples we can see the real need to strengthen our free enterprise system. We must show some authority over it, whether it means applying, or in many cases, repealing laws dealing in this area. Our elected officials then should make a never ending effort to help strengthen our free enterprise system.

In conclusion, the needs to preserve and strengthen the free enterprise system are clear. We, as citizens, must not only enjoy our free way of life but, continuously improve it for the future.●

## GEORGIA VFW—VOICE OF DEMOCRACY AWARD-WINNING SPEECH

### HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. JENKINS. Mr. Speaker, Miss Martha Ann Carlson of Toccoa, Ga., is the 1979 Georgia VFW—Voice of Democracy first place winner. I am very impressed by her thoughts on America and her dedication to the promising future of our great land. I am happy to share her speech with my fellow Members of Congress.

WHAT IS AMERICA?

What is America? Hot dogs, apple pie and Chevrolet? Pioneers? Computerized education, wars, space exploration? Camp David, a Republican form of government? The use of solar energy? George Washington, a cure for cancer and M.S.? Why do I care about this America? I care because America enables me to have a past, she molds my present, and she determines my future.

Why do I care about yesterday's America? If my forefathers hadn't cared about their freedom, they never would have left everything back in their native land to come to a new world. I care because they cared enough to leave friends and family to come to a new land where they would be free. I am proud of my great great grandparents for doing this because it means freedom for me.

America is a land where I can speak freely, worship freely, live where I like, have the type of occupation I want, and where my future family can grow up and have these same freedoms: The preamble to the Constitution states ". . . to secure the blessings of liberty to ourselves and our posterity."

This insures all Americans, regardless of race, sex and origin, freedom; now, and in the future. Why do I care? Because my forefathers were thinking about future generations when they were writing the Constitution. They were concerned about freedom for us as well as for themselves.

Why do I care about today's America? Because America is trying to keep the world from war. She is trying to restore domestic tranquility; she holds together when a part of her vast nation is in trouble. America is giving me an education, a job, places to go for relaxation and enjoyment. I care because America is looked up to for advice and to settle disagreements. I also care, because America is helping out this generation, so that we will be able to help future ones.

I live in a respectable country that is free. That makes me proud. I care because I am a free teenager. America has gone through many changes since 1776 and she will go through many more. I'm glad I will be around to see some of them.

Why do I care about tomorrow's America? I care because this is where my family will grow up. My posterity will grow up here. I want them to be able to enjoy the same things I enjoy now. Also, today's teenagers will be tomorrow's leaders. I feel that as an American I owe it to the next generation to set a good example for them to follow. We should start preparing now so that tomorrow will be even better than today or yesterday.

America! What a great land! It will do many things for different people, but they will all have one thing in common that America has done for them. America has enabled every person to have a past and be aware of it. America has molded everyone's present by the different changes through which she has gone. And America will determine everyone's future through more changes. Why do I care? Because all of these things are a part of me. America involves what my forefathers did, what I do now, and what I will do in the future.●

## VIETNAM VETERANS ACT

### HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. DASCHLE. Mr. Speaker, on behalf of the Vietnam veterans in Congress, I am introducing the Vietnam Veterans Act of 1979.

This act will provide better opportunities and care for the veterans who fought during the Vietnam war by addressing the most significant needs and problems these veterans now face. Due to the controversial nature of the war, these needs and problems have largely been ignored. I believe strongly that the Vietnam veteran deserves and requires improved attention from their Government. I want to emphatically state, however, that it does not mean at the expense of other war veterans.

This legislation is an ambitious piece of legislation. It addresses the most critical needs of our Vietnam veterans. Considering the billions of dollars wasted in Vietnam, I feel strongly that this legislation is but a small measure of compensation to our Vietnam veterans who sacrificed so much for such an unpopular cause.

The contents of the act are as follows:

TITLE I—EMPLOYMENT

This section addresses the unemployment problems Vietnam veterans have experienced by providing for a job voucher program utilizing education benefits these veterans may have but are not going to use.

TITLE II—HEALTH & PSYCHOLOGICAL CARE

Title II deals with health and psychological care. VA estimates alone show 1,500,000 veterans in need of readjustment counseling and a special Presidential Commission studying Vietnam veterans found about the same number in need of drug or alcohol treatment. This portion deals with these problems and also allows theatre veterans to go outside the VA for help. This will not only expedite treatment but will alleviate the need for an additional bureaucracy within the VA.

TITLE III—EDUCATION

Due to the past inadequacy of the GI bill, the low completion rate of veterans in college, and the fact that 3.2 million veterans will be delimited this year, the GI bill needs to be updated. Therefore, this portion extends the delimitation date of the GI bill for 5 years, and also repeals the obstructionary state matching requirement under the loan program.

TITLE IV—HOUSING

This section meets the problems veterans have had with the point system by bypassing lending institutions and providing loans directly to individual veterans.

TITLE V—COMMISSION TO STUDY VETERANS BENEFITS

This section will be set-up by the President and shall report to the President and the Congress a statement about their findings, conclusions, and recommendations for legislation and Administrative action as it considers appropriate concerning veteran's needs, concerns, and applicable benefits that they are entitled to.

Mr. Speaker, the Vietnam Veterans Act is a measure of gratitude for the services of these men and a demonstration of our understanding of the responsibility we hold for their just compensation. It will affirm our commitment to these veterans who have suffered greatly as a result of the unique problems of the Vietnam conflict.●

## THE TAIWAN "BOOM"


## HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES


*Tuesday, March 20, 1979*

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

Despite recent moves to grant diplomatic recognition to the People's Republic of China and to downgrade our relations with Taiwan to nongovernmental status, Taiwan is, and probably will remain, a key U.S. trading partner and a cornerstone of the Asian economy. A February 18 Washington Post article by Hobart Rowen clearly illustrates this point, and I include it in the RECORD for the benefit of my colleagues:

TAIWAN BOOM MAY INTENSIFY

(By Hobart Rowen)

Despite the fanfare over the resumption of normal relations with the Peoples Republic of China—and the supposed business bonanza that this holds open for U.S. and other Western countries—a continuing, even accelerating, boom on Taiwan may be one of the surprise stories of the next five or 10 years.

At least, that's the hope of many Carter administration officials who believe that the changed political status of Taiwan vis-a-vis the U.S. should not prevent the continued growth of what has been one of the most dynamic economies in Asia.

As Secretary of State Cyrus Vance put it to a group of American businessmen last month, "Taiwan will continue to prosper. It is now our eighth largest trading partner, and there will be no change in the way private business is conducted with Taiwan."

In fact, many administration officials think that once things settle down, Taiwan will be in a unique position to reap benefits from the expansion of the People's Republic's trade with the rest of the world.

Frank Weil, assistant secretary of Commerce for trade affairs, said in an interview: "I think there's a good chance that the Chinese on Taiwan are going to play an important role in the normalization and industrialization process in Asia."

For the immediate future, Taiwan has such a long lead that it will be many years before the PRC catches up to it, American businessmen agree. "In the most crass sense, the current and immediate opportunities are in Taiwan, and no one is going to give them up," said an American corporate executive. Or, as Raymond C. F. Chen, president of Ford Lio Ho Motor Co., told a reporter in Taipei; "This is a bird in the hand; the mainland is two in the bush."

In fact, from the perspective of the Taiwanese business community, the competitive threat of the moment is not the PRC, but Korea, which is chipping away at Taiwanese export markets in the same way that Taiwan was cutting into Japan's business a few years ago.

The spectacular growth of the Taiwanese economy, with a population of only 17 million against the PRC's one billion, is one of the success stories of Southeast Asia. With Japan as a model, Taiwan has developed its electronics, textiles, metals and machinery industries, and has boosted its standard of living to the point where its per capita gross national product is the third highest in Asia. Cheap labor and massive financial investment have been the keys.

At about $1,100, the Taiwanese gross national product per capita income now is almost three times that of the PRC's $400. Moreover, as a recent study of the Overseas Development Council here points out, Taiwan at the same time has enjoyed a relatively high quality of life.

As measured by the ODC, an index of the quality of life in Taiwan stood at 87 (on a scale of 0 to 100), while that for the PRC was only 71. For example, life expectancy at birth is now 70 years in Taiwan and 65 in the PRC. The Taiwanese record compares favorably with those of wealthier Middle East countries and European nations with more sizable economies—and is substantially better than that of Mexico, which has a similar per capita income.

Taiwan's foreign trade amounted to $23.3 billion last year, which is about 15 percent greater than the PRC's $19.5 billion, and business interests in Taipei predict that Taiwan's foreign trade will hit $80 billion by 1985.

United States-Taiwan trade last year was nearly $7.5 billion, or about one-third of the Taiwanese total, with U.S. imports of $5.1 billion, and sales of $2.3 billion, for an American deficit of $2.8 billion. (Total U.S.-Taiwan trade, by the way, was about 7 times U.S.-PRC trade.)

The American stake in Taiwan is substantial, at $516 million in direct investment in 278 different projects in electronics, chemicals, food processing, metals, textiles, footwear and other industries. In addition, according to the U.S. Treasury, private U.S. banks had $4.1 billion in loans outstanding as of June 30, and the Export-Import Bank had extended a net amount of $1.8 billion in credits at the end of last year. World Bank investments in Taiwan are about $250 million.

But Walter Hoadley, executive vice president and chief economist of the Bank of America, said in a telephone interview that the Taiwanese are "realistic, hard-working and pragmatic people" who know that somewhere down the line their economy will face competition from the massive economic potential of one billion people on the mainland. And they will have to depend on their internal strength, not outside investment, to do it.

Hoadley noted the typical Asian concentration on "time, patience and face," and suggested the Taiwanese will focus attention in the next few years on accelerating their economic advance. "When you get right down to it, Taiwan's ultimate bargaining power (on its political status) with the PRC could depend on it outperforming the mainland," he said.

Weil and other U.S. government officials put much store in the fact that PRC Vice Premier Teng Hsiao-Ping gave some interviewers—including U.S. Sen. John Glenn (D-Ohio)—the feeling just before Teng's visit to the United States that the PRC might be content to allow Taiwan to develop a relationship analagous to the close ties the PRC maintains with Hong pong and Macao. Peking could make the usual noises about its rights to the various territories while continuing to milk the economic relationships with off-mainland outposts.

Hoadley thinks that the notion of Taiwan as a sort of Hong Kong is completely realistic. Much, of course, depends on Taiwan's willingness to sublimate its disappointment and anger over being "dumped" by the United States to concentrate on solidifying business and commercial relationships that will make it politically and economically stronger.

Asian scholars believe that will require Taiwan to avoid any rash actions such as a unilateral declaration of independence and fulfillment of promises by the United States to shun a military relationship with the PRC, while maintaining Taiwan's defensive military strength.

Washington Post correspondent Jay Mathews noted in a Hong Kong dispatch on Dec. 21 that Taiwan already has begun to increase underground trade and foreign contacts with mainland China that even might lead to formal negotiations in the distant future.

The PRC sold Taiwan about $25 million worth of goods through Hong Kong in the first six months of 1978, mostly mainland herbs highly prized in Taiwan. This semi-secret trade doesn't include a large volume of goods being smuggled between Taiwan and the mainland.

Since normalization between the U.S. and the PRC was announced, wall posters have appeared in Peking suggesting exchanges of mail and tourist visits between families on the mainland and Taiwan.

Even before normalization, the PRC sent delegates to a scientific conference in Tokyo, at which representatives from Taiwan were also present. Later, the PRC didn't object, as they would have in past years, to a Thai airlines request to make stops in Taipei as well as Peking.

Another clue of potentially great significance for Taiwan's future came in Teng's interview with Time magazine published Jan. 29. In that, Teng said not only that Taiwan might maintain some armed forces of its own but that, "As for trade and commerce with foreign countries, they can continue."

That would seem to answer the question raised by some skeptics of whether the PRC might seek to blackball business enterpreneurs from the West who also choose to maintain their relationships with Taiwan.

In fact, this has not happened to businessmen who earlier in the game did exactly what the U.S. has done—extended diplomatic recognition to the PRC while maintaining full relations with Taiwan in everything except the formal diplomatic sense.

Thus, Japan's trade with Taiwan has grown 233 percent since Japan normalized its relations with the PRC. Australia's grew by 370 percent; and Canada's, by 539 percent.

So far, Taiwan has played it cool. The government has not leaped to embrace any of Teng's overtures. But after the initial shock and outrage at American recognition of the PRC, things have settled down. President Chiang Ching-kuo seems to be steering away from any provocation that would lead Pe-

king to boycott companies doing business with Taiwan. And as American officials point out, after first saying no, Taiwan is going along with the nongovernmental "institute" formula that replaces the former diplomatic relationships. If it all works out, for American businessmen it could be the best of two worlds.●

## BALANCED BUDGET FALLACIES

### HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. BOLLING. Mr. Speaker, Walter W. Heller once more has stated very clearly the complicated truth about a much over simplified major matter of public policy. Dr. Heller's article appeared in the March 16, 1979, issue of the Wall Street Journal. I commend it to every Member's attention and submit a copy for printing in the RECORD.

BALANCED BUDGET FALLACIES

(By Walter W. Heller)

In an era of dissatisfaction with big government, high taxes, and stubborn inflation, it is not too surprising that the Gallup Poll shows a six-to-one majority favoring a balanced-budget amendment to the Constitution. And it must be a strong temptation for elected officials—if they want to be reelected—to do a Jerry Brown and embrace such a proposal.

But this is one case where the majority is simply wrong—not in seeking some curbs on government, for that is their inherent right in a democracy—but in seeking to do so by putting the federal government in a fiscal straitjacket. This is a clear-cut case where responsible political leadership consists in leading voters out of the valley of error and seeking better and sounder ways to achieve their goals.

Since the major thrust for the balanced budget amendment (and some of its half-siblings) comes from a misinformed public, it may be useful to examine some of the fiscal fallacies that seem to underlie public thinking on this subject.

Fallacy Number One: "Individuals, families, and households have to run a balanced-budget—so why shouldn't Uncle Sam?" People forget that typically when they buy a car or a boat, or, most obviously, a house, they are doing anything but running a balanced budget. At times, they run deficits—often huge deficits—relative to current income. So they are asking Uncle Sam to adhere to a rigid and austere standard that they don't observe themselves.

Fallacy Number Two: Closely related to the first fallacy is a second one that runs something like this: "We consumers (homeowners, corporations) pay back our debts, but Uncle Sam just keeps piling up his debts without end."

The surprising—to some even jolting—truth is that in the period since World War II, the federal debt has been the slowest major form of debt. As the following table shows, the federal debt today is less than three times the size it was in 1950, while consumer installment debt is nearly 14 times, mortgage debt 16 times, corporate debt 12 times, and state-local debt 13 times.

Even with the unprecedented run-up of federal debt in the face of two recessions in the 1970s, the doubling of that debt since 1970 is just about matched by the rise of state-local debt, while corporations, consumers, and homeowners have expanded their debt at a considerably faster rate than Uncle Sam.

*Postwar growth of majojr forms of debt (in billions)*

| Type of debt | 1950 | 1978 | Ratio of 1978 to 1950 (×) |
|---|---|---|---|
| Consumer installment | $22 | $299 | 13.6 |
| Mortgage (1–4 family homes) | 45 | 732 | 16.3 |
| Corporate (non-financial) | 71 | 834 | 11.7 |
| State-local | 22 | [1] 390 | 13.2 |
| Federal (in hands of public) | 217 | 611 | 2.8 |
| GNP | 288 | 2,110 | 7.4 |

[1] Estimate.

SOURCES: "Economic Reports of the President"; "Economic Indicators"; Federal Reserve System Flow-of-Funds estimates.

None of this is meant to justify the present level of federal deficits or debts nor to suggest that the federal debt poses no problems. But the foregoing figures do serve to put the federal debt in perspective.

Fallacy Number Three: "State and local governments have to live by the balanced-budget rule, so why shouldn't Uncle Sam?"

True, states and localities have to balance their budgets annually, except for capital outlays, for which they can borrow. But federal budgetary accounting throws current and capital outlays (as it should) into the same pot. So balancing the federal budget means matching total outlays with current tax revenues, which is quite different from the balanced-budget concept for states and localities.

Let me underscore another decisive difference between state and federal budget impacts: A state or local budget can be balanced by tax hikes or spending cuts without jarring the whole U.S. economy. The federal budget cannot. If the national economy starts to slide, joblessness rises, income and profits fall, and the federal budget automatically goes into deficit as revenues shrink and spending rises. Try to balance it by boosting taxes or forcing cuts in spending, and the result will inevitably be to draw that much more purchasing power out of an already soft and sluggish economy.

This would send the economy into a deeper tailspin, thereby throwing more people out of work, further cutting tax revenues and boosting unemployment compensation, food stamps, and similar entitlement expenditures thus throwing the budget even more out of whack. A dog chasing its own tail comes to mind.

Fallacy Number Four: "Unlike private and state-local deficit financing, federal deficits are a major, perhaps even the major, source of inflation." Both analysis and evidence fail to support this proposition.

Except where federal deficits pump more purchasing power into an already prosperous or overheated economy, they do not feed inflation. When the economy is slack or in a recession, when there are idle workers and idle plants and machinery to be activated by additional demand for goods and services, tax cuts or spending hikes that enlarge the deficit help the economy get back on its feet.

In other words, there are both destructive federal deficits and constructive deficits, depending on the state of the private economy. What we should seek is fiscal discipline—avoidance of waste, inefficiency, boondoggling and unnecessary government programs—but not at the cost of strangling the federal government in its attempts to serve as a balance wheel for the national economy and an instrument for avoiding that greatest of economic wastes, namely, idle workers, machines and factories.

Even a cursory inspection of the data on deficits and inflation shows little relation between the two, for example:

Milton Friedman reminds us that 1919–20 produced "one of the most rapid inflations" in U.S. history when the budget was running a large surplus, while 1931–33 saw "one of the most extreme deflations we had in history" when "the federal government was running a deficit."

From 1959 to 1965, federal deficits were the order of the day, yet price inflation was little more than 1% a year.

In the face of huge deficits in 1974–76, inflation dropped from over 12 percent to less than 6 percent.

Fallacy Number Five: "Well, even if deficits aren't as bad as we thought, the federal budget is out of control, and the only way to get it under control is to slap some kind of a constitutional lid on it."

Once again, the facts run to the contrary. As a proportion of the gross national product, the budget is being reduced from 22.6 percent in 1976 to 21.2 percent in 1980. As against 12.2 percent annual increases in spending for 1973–78, the rise from 1979 to 1980 will be only 7.7 percent. And according to the Congressional Budget Office staff, President Carter's proposed $531 billion budget for 1980 falls $20 billion short of the amount that it would cost simply to maintain current services under current law.

Quite apart from the numbers, the popular clamor for "getting the budget under control" seems to ignore two important facts:

For the past four years, the Congress has been operating under a new budget procedure that has brought vastly more discipline and responsibility into the budget process. In other words, the mechanism for getting the budget under control is already in place and is working.

Both the White House and the Congress have heard and heeded the message implicit in Proposition 13, calls for constitutional budget limits, and the like. Whether one likes it or not, budget austerity is the political order of the day.

Fallacy Number Six: "The balanced-budget mandate is a simple, sure-fire way to force the White House and Congress at long last to match spending and tax revenues."

The simple truth is that this simplistic approach is beset with simply prohibitive difficulties of definition, administration and evasion.

A mandate to balance taxes and expenditures first has to define them. Does spending include outlays of Social Security and highway trust funds? (It didn't until 1968.) Does it include lending activities? If not, moving things from expenditures into loan programs would be an inviting loophole. Imagine the Founding Fathers two centuries ago trying to draw a dividing line between "on-budget" and "off-budget" expenditures. No less an authority than House Minority Leader John Rhodes has noted that "it would be so easy to end-run it."

Administering the mandate would be a nightmare. In January each year, the President submits a budget for a fiscal year that ends eighteen months later. Given the unexpected twists and turns of the economy, revenues may well fall below the forecast path. Imagine the scramble to adjust the budget as revenues misbehaved or unexpected shifts occurred in the costs of farm programs, Medicare, cost of living adjustments in Social Security benefits, and so on.

It does not take too much imagination to foresee Congress, caught in the balanced-budget vise, shoving some expenditures off into the private sector (e.g., by requiring private industry to support laid-off workers) or onto consumers by relying more on higher farm price supports and acreage set-asides and less on federal deficiency payments.

So many exceptions, exclusions, and special emergency provisions would be necessary to make the amendment workable that it would

no longer be meaningful. The drafters of the amendment would find that they were writing a prescription for congressional action, not a constitutional mandate. A meaningful amendment would not be workable and a workable amendment would not be meaningful.

Even if some magic formula could be found to hold the government's nose to the balanced budget grindstone, it would be an affront to responsible democratic government to do so. The essence of that government is to adapt economic, social, and other policies to the changing needs of the times and the changing will of the majority. It is the job of the Constitution to protect basic human rights and define the framework of our self-governance. Taking the very stuff of democratic self-determination out of the hands of legislative bodies and freezing them into the Constitution would not only hobble our ability to govern ourselves but dilute and cheapen the fundamental law of the land.

Given that the constitution approach is unwise, unworkable and unworthy of democratic self-government, one hopes that the White House and Congress will work out a statutory solution that will be responsive to the public will without imposing destructive shackles on their ability to govern.●

## THE 189TH ANNIVERSARY OF THE UNITED STATES PATENT ACT

### HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. LAGOMARSINO. Mr. Speaker, next month, on April 10, will be the 189th anniversary of the first United States Patent Act, signed into law by President George Washington in 1790. It was enabling legislation, putting into action one-half of the eighth clause of section 8 of article I of our Constitution. The second half came a month later, when the first Copyright Act became law.

Both of these laws were enacted at a time when our struggling young Nation needed a surge of new technology to help it catch up with the rest of the world, with stronger nations already well established. The inspired men who drafted our Constitution knew that the only hope of achieving this kind of speed lay in the creative minds of our own authors and inventors, and empowered Congress to give special inducements to them.

Our need for new technology, to help us compete with the rest of the world, is very urgent in the United States of America today, as I believe we all realize. Now as in 1787 we must look to our American inventors to supply that need; so it is necessary and proper that we should make an earnest inquiry of the inventors themselves, to learn what it is they are looking to the U.S. Government to supply, to speed their work in meeting the technology challenge of today and the years ahead.

It happens that I have in my district the headquarters of a large and growing organization of inventors, named Inventors Workshop International, the IWI. They bought an historic old hospital property in Ventura, and are now in process of restoring it, and remodeling its interior to serve their needs. (I know it was historic, because when it was a hospital I was born there.)

A month ago, on February 10, the IWI founder and president, Melvin L. Fuller, in his annual address to members at a meeting in Torrance, offered a valuable insight into the situation of working inventors as our laws and our courts affect it. I am arranging to have most of it reprinted in the RECORD, as an extension of my remarks, and I commend it to your attention:

A PIECE OF STRING

(President's Address by Melvin L. Fuller to annual Awards Dinner of Inventors' Workshop International, Torrance, Calif., February 10, 1979)

It is gratifying to me, as an inventor, to speak to you other inventors, you who as members make Inventors' Workshop International the strong organization it is today.

It is especially gratifying that, as your president, I can speak for inventors. It is my earnest belief that ONLY an inventor, chosen by other inventors, is really in any position to speak for inventors.

One thing we inventors have in common is that, as creative men and women, we are the hope of this great Nation of ours, the United States of America, to stay ahead of the world in science and technology, the "useful Arts," as they are identified in the U.S. Constitution. Along with authors, we inventors are the only two kinds of individuals especially seen, by the creators of our Constitution, as the officially identified hope of America in a highly competitive world.

More than that, those farsighted men in the 1787 convention looked upon authors and inventors as the Nation's only hope, to make it possible for America to compete—and not only to compete successfully, but to surpass. It loomed up so important, to them, that it even overcame their antagonism to any kind of monopoly, to a certain extent. They would restrict it to a limited time, but within that limited time they would permit an author to have complete control of his writings, excluding anyone he might desire from the right to publish them. Likewise, within a limited time, they decreed that an inventor should have the same kind of exclusive control over the use of his own discoveries.

This constitutional right to exclusive control over our creations is something we share in common with all the inventors who have used the United States Patent System since 1790, and all who may use it in the future.

The way the law reads right now, it gives us a seventeen-year head-start on everybody else, in trying to make cash-money or other personal gains out of our patented invention.

In return for this special treatment, they imposed upon us inventors a very special obligation. This was, to so utilize our creativity and our follow-through inventive abilities as to "promote the progress of science and the useful arts."

This obligation is something we all have in common, my fellow inventors, and I think we all need to keep it in mind. This national goal of promoting science and the useful arts was the one and only reason why our special status as inventors was written into clause 8, section 8 of Article One of the Constitution.

They wanted results.

They wanted a special kind of results.

It was for these most important results that they were willing to pay the price of leaving a gap in their hatred of monopoly.

I find it hard to discover any genuine "progress of science and the useful arts" in a great many of the gadgets and gimcracks that have been given the official blessing of the Patent Office examiners, especially in recent years, and sometimes the courts have difficulty in this, as well.

Now, don't get me wrong. I am not referring to some federal district court, in which a judge may have to rule on some object too complicated for him to have any chance of understanding it. I mean that wonderful body of nine powerful men, the United States Supreme Court. Sometimes a patent case is beyond the understanding of even their noble minds.

For instance, back in 1882, Justice Bradley's opinion in the case of *Atlantic Works* vs. *Brady*, had some biting words to say about inventions that did not seem to him to be important enough for a U.S. Patent. He said "It was never the object of those laws to grant a monopoly for every trifling device, every shadow of a shade of an idea, which would naturally and spontaneously occur to any skilled mechanic or operator in the ordinary progress of manufacturers. Such an indiscriminate creation of exclusive privileges tends rather to obstruct than to stimulate invention. It creates a class of speculative schemers who make it their business to watch the advancing wave of improvement, and gather its foam in the form of patented monopolies, which enable them to lay a heavy tax upon the industry of the country, without contributing anything to the real advancement of the arts. It embarrasses the honest pursuit of business, with fears and apprehensions of concealed liens and unknown liabilities to lawsuits and vexatious accountings for profits made in good faith."

Doesn't that bring tears to your eyes, in sympathy for some poor manufacturer whose skilled mechanic might have seen the better way to do a thing, and might not have seen it? But Justice Bradley had more to say on this, and again I quote from the 1882 opinion:

"The attempts through the years to get a broader, looser conception of patents than the Constitution contemplates have been persistent. The Patent Office, like most administrative agencies, has looked with favor on the opportunity which the exercise of discretion affords to expand its own jurisdiction. And so it has placed a host of gadgets under the armor of patents—gadgets that obviously have had no place in the constitutional scheme of advancing scientific knowledge. A few that have reached this Court show the pressure to extend monopoly to the simplest of devices."

Justice Bradley's idea of devices which were unimportant and not entitled to the protection of a patent because they were so simple included these, in that 1882 formal Supreme Court opinion (I'll just summarize a few of them, briefly): Doorknobs made not of metal or wood but clay shaped to look like metal or wood, rubber caps on pencils as erasers, freezing fish in something like an ice-cream freezer, to preserve them, putting rollers on a machine to make it movable, placing rubber hand grips on bicycle handlebars. There were others mentioned by him at the time, but these are enough. When you see frozen fish in a supermarket, does that seem too simple and unimportant to you?

"But" you might say, "that was 1882, and nearly a hundred years ago, and I am living in the here and now." Don't kid yourself. A decision of the Supreme Court has almost eternal life. It was only back in 1950 that Justice Douglas, writing for himself and Justice Black, quoted that 1882 opinion by Justice Bradley, and then added some more recent words. He said, and this time I quote Douglas in 1950:

"It is not enough that an article is new and useful. The Constitution never sanctioned the patenting of gadgets. Patents serve a higher end—the advancement of science.

An invention need not be as startling as an atomic bomb to be patentable. But it has to be of such quality and distinction that masters of the scientific field in which it falls will recognize it as an advance." And that was when he quoted the Bradley decision of 1882.

As lawyers before they were judges, these men were trained and experienced in being persuasive. And since they were on the Supreme Court they certainly must be considered authoritative. Whether they are right or wrong, what they write does have the ring of authority, because the words they write becomes part of the law, until some other later Court disagrees with them. We are supposed to agree with them.

Frankly, to some extent I do agree with them. I think we can all agree that our Patent System is cluttered-up with thousands of inventions that never did amount to anything much, and never will amount to anything much, and having to include them in our patent search makes the getting of a new patent more cumbersome, therefore more expensive. Looking at it from the outside, as he was and had to be, the Supreme Court Justice might be justified in calling some of these patents "flimsy" or even "spurious."

We can sympathize with his official feeling of holy frustration.

There is a catch to it, though, as inventors know only too well. No matter how smart he might be as a lawyer and a politician, and no matter how learned he may be as a judge, of the Supreme Court or any other court, all that does not qualify him to know what it takes to put an invention together. A man may be however great and magnificent in his own field of work, or two or three fields of work, but his mind still has its human limitations. Outside of his own special area of knowledge, he may not be able to detect how splendid or far-reaching an unfamiliar new invention may prove to be.

For just one example, take the case of Chauncey Depew, who was one of our intellectual and financial giants at the turn of the century. He was one of the smartest railroad lawyers in the world, and first president then chairman in the New York Central and other Vanderbilt railroad systems. An orator, a Senator, a scholar full of wit and charm, there still were some things he did not know. A doctor came to him one day for encouragement and help on his new invention in telegraphy, and Chauncey Depew turned Alexander Graham Bell down; the telephone would never be more than a toy, in his pompous and worldly-wise opinion.

Now for a totally different kind of an example, I pull a little item out of my pocket. Yes, as you see, it is nothing but a piece of string. Just an ordinary piece of string. When that famous writer of short stories, the Frenchman Guy DeMaupassant, wanted something truly without value for one of his characters to pick up, out of the dirt at his feet, he had the man pick up a piece of string. Later he was accused, by an enemy, of having picked up instead another man's lost pocketbook containing five hundred francs. He had tried to hide the string, so nobody could see that he, a grown and respected citizen, had stooped to pick up something as worthless as a piece of string. (He had done it because he did not want to see even that go to waste.)

Worthless? Just because it does not have a label on it, from Gucci maybe, or Sears-Roebuck? But consider what this world would be, if we did not have this invention known as "string," or "twine string," or some other kind of string. In various forms and made of various materials, but always with the same basic scientific principle of entertwined fibers—whether of cotton or flax, or steel or copper, or hemp or whatever—it ties up our packages, forms our clothing, anchors our boats, operates our elevators, makes our sails. And even a fragment of it, like this in my hand, can be used for some purpose.

What do you think an associate justice of the Supreme Court might have said about DeMaupassant's piece of string?

The fact is that the value of an invention, to the world as a whole and to our own part of the world, is not to be judged by a district judge, or the Supreme Court with all nine men agreeing, or by any other official. Nor is it to be judged by what you think of it, or what I think of it.

The only true and final judge of the value of an invention is the marketplace. No matter what some Supreme Court may officially decree at any one time, the Inventor's Constitutional Charter does not require that an invention, if it is to be entitled to a patent, must satisfy some judge or university professor that it is truly an advancement in science.

Actually, to achieve progress in the useful arts, you have to use the principles of science, as any inventor knows by experience. And the more you use such scientific knowledge as you have, the more scientific knowledge you are going to have. By using your scientific knowledge, you can't avoid progressing in its use.

This is what that clause in the Constitution means. It does not call for each separate invention, or each separate piece of an author's writing, to be within itself a visible advance in science and the useful arts. That is the function of the Patent System itself, invented by this clause in the Constitution. It is the Patent System and the Copyright System—as Congress was empowered to create them—that was expected to "promote Progress in Science and the Useful Arts."

Those wise and inspired men who wrought-out our Constitution were smart enough to know this important truth about humanity—that not every product of the creative brain of an author or inventor will be a world-beating winner. There are bound to be some absolute flops. People being what they are, it can be confidently expected that there will be a lot of flops for every creative product that comes forth a winner.

The Constitution-drafters knew this, because they included some of the most wondrously creative minds in our history. The Constitution itself is proof of it—never before in the world's long history had such a workable plan of government been produced. Yes, they knew the failings and limitations of creative people, but they also knew that if these same people could be induced somehow to keep everlastingly busy about their creative new things, the result would just simply have to be what they were after—progress in science and the useful arts.

So they authorized Congress to set up a system which should have a chance to accomplish that purpose. Dangle something really juicy in front of the creative people who had the ability to become authors and inventors, and make it juicy and attractive enough that they actually would get busy and create.

That was what the system they authorized was expected to accomplish. The juicy and attractive bait they wanted Congress to dangle in front of our hungry eyes was absolute control, for a limited term of years, over whatever we inventors might create, whether great or small, whether wonderful or foolish. We would be able to exclude everybody else from using our invention without our permission—that was the kind of bait that they thought would make us get busy.

It would, too, if the Congress and the Courts would let us be enticed as freely as the drafters of our Constitution intended. I say to you here tonight, and I say to the Congress and the Courts from the Supreme Court all the way down: Leave it to the marketplace to decide whether an invention is valuable or not. This is the proper function of the American system of Private Enterprise—and it really does function.

Who is a judge to know of an invention's value to all the people, just because he wears a long robe and has a lifelong job? If an invention—and I do mean any invention—had not seemed valuable enough to somebody that he thought it was worth stealing from the patentee, the case would never have been brought into that court or any court in the first place.

It would not have been brought into court because the invention was not worth stealing, regardless of how wonderful its inventor or first manufacturer thought it must be.

There is, of course, another side to this. It also depends on how expensive it will be, to steal it. If the inventor has engaged a patent attorney who knows enough about the ways of invention thieves to draw up a patent application which will crowd-out the thieves unless they are prepared to spend a lot of money, the would-be pirate will consider very carefully before he will let his corporation gamble the cost of it.

Yes; I insist and insist again, and over and over again, that the real value of an invention is determined by the marketplace, in the good old pattern of American Private Enterprise. This month we honor the anniversaries of the birth of two American Presidents who contributed greatly to the value of inventors to this Nation, because they contributed greatly to the Patent System. It was George Washington who stirred the First Congress into fast action, and at his urging the original United States Patent Act became law on the tenth of April, in 1790. And Abraham Lincoln, the only President to hold a patent on his own invention, was a constant supporter of our great Patent System.

That system has worked wonders for the People of the United States in the past one hundred eighty-nine years, and it was in their behalf that it was authorized by the Constitution. In their behalf, I urge that the President, and the Congress, and the Supreme Court and all other courts, work mightily to build up our Patent System, that the inventions of our inventors may continue to bless America and the world. Let these officials not try to decide whether some invention is magnificent or foolish, because this their human minds cannot know in advance.

Instead, let them strengthen the Patent System to mobilize the talents and abilities of all us inventors, and inventors yet to be born, to entice us to get busy and invent. The Constitution set it up. Let our officials in Washington get on the ball and follow it up! ●

## RETREAT ON ETHICS REFORM

### HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. PANETTA. Mr. Speaker, the recent approval by the U.S. Senate of a postponement of the outside earnings limitation is a grave disappointment to many of us in the House who worked so hard in the last Congress to gain support for this and other ethics reforms.

When the President has asked Americans to hold their wage and price increases to a paltry 7 percent a year and when Congress is considering cutting many important social programs or holding them at no growth levels, I find it hard to believe that the American people will sympathize with the Senators' complaints about the impact of in-

flation on their standards of living. The pay raise granted in 1977 amounted to an 18 percent pay increase. Retaining the existing ceiling of $25,000 in outside income, instead of the proposed $8,625 limit, raises this percentage figure far higher.

Recently, the Los Angeles Times reviewed the Senate's action in an incisive editorial, which I would like to insert for the benefits of my colleagues. I share the editors' view that the Senate acted inappropriately both in removing the outside income limitation and in acting without so much as a rollcall vote on the subject. I commend the editorial to my colleagues' attention and I urge the House to stand fast against a similar move here.

THE SENATE'S SNEAK PLAY

Majority Leader Robert C. Byrd was not on the floor of the U.S. Senate last week when a covey of his colleagues covertly gave themselves what amounts to a $16,375-a-year boost in earnings. It was done by scuttling a new $8,625 limit on what members can rake in for moonlighting—a limit that they solemnly swore to impose on themselves two years ago if President Carter would let them have a $12,900-a-year increase in salary.

Carter kept his share of the bargain, and senators have been collecting the fatter paychecks for 25 months, but their action last week postpones the imposition of the $8,625 moonlighting limit for at least four years, and restores the old ceiling of $25,000. That adds up to $16,375 more in potential income.

One would assume that Byrd would be furious at the revolt in the ranks. He was, after all, one of the leading advocates of the new limit on extracurricular loot and, presumably, he told Carter that the Senate would honor the *quid pro quo*.

But no. When reporters caught up with the West Virginia Democrat the day after the deed was done—without hearings, without a roll-call vote, with only the briefest of notice and with no more than 20 members present—the majority leader said that his colleagues were absolutely right in doing what they did.

As for his own commitment to the President, Byrd said, "I changed my mind." And, had he been on the floor, his anonymous voice would have been among the other anonvmous voices yelling "aye."

But what did he think of the furtive way in which it was done? Byrd found no fault with it. To the contrary, he said it might not have gone through at all had there been a roll call requiring the senators to record their votes.

The reporters next sought out the rectitudinous Republican minority leader—Howard H. Baker Jr. The Tennessean has always been quick to suspect financial hanky-panky on the part of others and, even now, is demanding a special prosecutor to look into the Carter family's peanut business.

Certainly Baker would rail against Byrd's cynicism and against the bad faith of the Senate.

But no. He said he agreed with Byrd that his colleagues were right, "inflation being what it is," in welshing on their agreement with the White House.

Inflation being what it is, members of the Senate are much better off than most working Americans. The $12,900 raise that they were able to con Carter out of two years ago amounts to more than 18% a year—more than double the President's current anti-inflation guideline.

That raise brought their government paychecks up to $57,500 a year, plus generous fringe benefits and travel and office allowances.

Just the statutory boost of $12,900 a year is close to the total income of the average American family.

So much for inflation, and so much for the heartbreaking complaints of certain senators that they can no longer struggle along on their government pittance and might have to send their wives off to work if the rules restrict their incomes from moonlighting.

The moonlighting, of course, consists mostly of speeches before special-interest organizations that approve of a senator's voting record, and the fat fees that they pay raise questions of propriety. And much of the moonlighting is done on company time—the taxpayer's time.

Let it be said that we do not think, even now, that senators are overpaid. The ablest of them are worth more—and that is one of the reasons that we were in favor of the salary increase two years ago.

What we object to is the stealthy manner in which the Senate broke its word. The bypassing of committee procedures, the short notice and the voice vote were meant to catch the media by surprise, and to protect the identity of those voting "aye." It is now apparent that Byrd and Baker were silent coconspirators in the plot to take the money and run, and it does them no credit at all.

Attention now turns to the House of Representatives. Will it follow the Senate in breaching its contract with the President and the taxpayers

Speaker Thomas P. (Tip) O'Neill Jr. was unwilling to criticize the Senate, but he doubts that "the votes are there" to follow suit in the House.

The Massachusetts Democrat would be wise to restrain the avaricious among his troops. Only a third of the Senate will have to defend their duplicity to the voters next year, but all members of the House who choose to run will face reelection. And they would be hard put to explain a sneaky vote to line their own pockets.●

## OIL SHORTAGE

### HON. HENRY B. GONZALEZ

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. GONZALEZ. Mr. Speaker, the question relating to the shortage of oil in our country has become quite bewildering. We hear from the Department of Energy that the Nation is short 500,000 barrels a day and creeping toward 800,000 barrels. The Congressional Research Service says the shortage is only 80,000 barrels a day while the big oil companies say that the shortage is 2.5 million barrels a day worldwide and thus deliveries must be apportioned to be sure that everyone gets his fair share. But while all of these figures are being reported and questioned something very real is happening attributable to this shortage and that is that many service station operators across the country are losing their businesses because their franchises are not being renewed.

This situation occured right after the Arab embargo of 1973 and it appears that it is happening again. At that time I introduced a measure to protect these service station operators and I am again proposing such a measure. I strongly feel that we need a measure that will provide these small businesses with some means of protection from distributors and major refiners who are attempting to push them out of business because in many cases it would be more profitable if the station were owned directly.

The bill I am proposing provides that a refiner or distributor may not cancel, fail to renew, or otherwise terminate a franchise unless he gives notification 90 days prior to the cancellation date together with the reasons for the cancellation and the remedies available to the service station operator.

My measure also prohibits cancellation of a franchise unless the service station operator failed to comply with any reasonable requirement of the franchise, failed to act in good faith in carrying out the terms of such franchise or unless the refiner or distributor withdraws entirely from the sale of petroleum products—other than crude—in commerce for sale other than resale in the United States.

There is also a provision in the bill that allows any retailer who feels that he has been unjustly treated to apply to Federal court for damages or injunctive relief.

Mr. Speaker, I do not know exactly how many service stations around the country are being forced to close their doors, but the situation is again ripe for this type of action. Legislation is urgently needed to protect small American businessmen from being forced out of work and I urge my colleagues to support my efforts in this regard.●

## MAYOR RODGERS

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. RODINO. Mr. Speaker, this St. Patrick's Day was a particularly significant occasion for me because of a special honor bestowed on a fellow statesman, Mayor Frank Rodgers of Harrison.

Mr. Speaker, the "Friends of Brian Boru" in Newark presented their "Irishman of the Year" award to the dean of New Jersey's mayors, Frank Rodgers, in recognition of his public achievements and concern for individuals in the community.

I am privileged to have maintained a long-time friendship with this decent and compassionate man who has been mayor of Harrison since 1947. He has worn many hats in his long career of service to the citizens of Hudson County. As a matter of fact, his career reads like a civics lesson on local government. He currently holds the positions of State senator and clerk to the Hudson County Board of Freeholders as well as that of mayor. In the past he has served with distinction on the New Jersey Racing Commission, the Garden State Parkway and Arts Center Commission and as Superintendent of Roads for Hudson County.

Frank Rodgers is liked and respected by all of us in New Jersey who believe that government service on the local level truly can make a difference to help better people's lives. His example is an inspiration to our youth and his continuing service is a credit to our community.

Despite his ever-present modesty, the community continues to honor him for his hard work and dedication. It was especially fitting that Americans of Irish heritage honor Frank Rodgers this St. Patrick's Day because I know that he is particularly proud of his Irish roots. However, all of us who have been touched by his warm hand concern feel a special pride in this recognition.●

## JOHN WALSON, SR.—FOUNDER OF CABLE TELEVISION

### HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. RITTER. Mr. Speaker, recently I had the privilege of attending a gathering in Lehigh County to honor a man who has earned a significant place in American communications history.

John Walson, Sr., president and chairman of the board of Service Electric Cable Television in my district, has been recognized as the founder of cable television in the United States. During his remarkable career, Mr. Walson has proved that an energetic person can, through hard work and imagination, make a mark for himself in a way that benefits countless other people. In his chosen field of communication, Mr. Walson has done just that, and March 2 was declared John Walson Day in Lehigh County in honor of his 30-year career.

Mr. Walson, a native of Forrest City, Pa., combined his education in the field of engineering with a longtime interest in electricity to build a career that started with electrical appliances and eventually led to a realization of the problems faced by communities surrounded by mountains and unable to receive television signals. His early efforts in Mahony City, Pa. to demonstrate television receivers by picking up signals from Philadelphia stations on a mountaintop antenna and running the signals by wire to his warehouse in the valley below led to a realization of the vast potential for using cables to relay television signals that had previously been inaccessible. By adding new antennas and boosters, and by stringing wire to individual homes, Mr. Walson was able to create the Nation's first cable TV system in 1948.

From that beginning, Mr. Walson worked tirelessly to expand the cable TV concept, eventually building the largest individually owned cable TV system in the Nation, operating in 150 communities.

During the past 30 years Mr. Walson has served as director of the National Cable Television Association, the Pennsylvania Cable Television Association and numerous civic organizations.

Mr. Speaker, the career of John Walson is cause for great pride on the part of the Lehigh Valley. I would like to repeat my congratulations to Mr. Walson for his impressive accomplishments. Because of his pioneering role, millions of Americans can enjoy the benefit of access to television today. John Walson is indeed a part of communication history.●

## THE 118-PERCENT TAX DISINCENTIVE

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. MICHEL. Mr. Speaker, we have all heard horror stories about the tax system we now have. I recently came across a story that tells of a 118-percent tax on income. Does this sound impossible? In order to demonstrate the unfairness of our tax system and to prove that it can indeed demand in taxes more than we have in income, at this time I wish to insert in the RECORD an article from the Los Angeles Times, "118-Percent Tax Tends To Discourage Work."

The article follows:

118-PERCENT TAX TENDS TO DISCOURAGE WORK

It may be a little hard to sympathize with someone in a 50-percent-plus tax bracket who complains Uncle Sam is taking away the incentive to work. But suppose the tax bracket were 104 percent? Or 118 percent?

According to the Internal Revenue Code, the top tax on earned income is 50 percent, the top rate on all other income is 70 percent. So how can anyone get caught at 104 percent or 118 percent?

A recently retired executive of a major U.S. corporation maintains it's not only possible, it's happening to him.

This former executive concedes that he is well off without working. His protest is made more in principle than in need. What he has done is accept some directorships and other consulting jobs that will bring him paychecks totalling $15,000.

Sitting down to figure just how much of that $15,000 he might have to spend, our retired executive came up with a startling conclusion. He will have $722 less to spend than if he'd just stayed home. He arrives at that figure this way:

| | |
|---|---|
| Income tax at the 50-percent maximum rate on earned income | $7,500 |
| Additional income tax on other income because the $15,000 pushes unearned income into a higher bracket | 1,507 |
| Lost Social Security benefits ($1 for each $2 earned over $4,000) | 5,500 |
| Social Security self-employment tax on $15,000 | 1,215 |
| Total | $15,722 |

The executive made another calculation. He figured what it cost him just to take his latest directorship, worth $7,500. Because he'd already used up his $4,000 maximum earnings before losing Social Security benefits, he came out even worse.

The total taxes and lost benefits from the $7,500 directorship added up to $8,883. That's an effective tax rate of 118.4 percent—before state taxes.

"We often read in the news media how Great Britain takes more than 100 percent of its citizens' income in some cases," he writes, "but we seldom realize that the U.S. Government does the same thing." He suggests that few congressmen realize this because they usually deal with Social Security and income tax matters separately.

The problem extends beyond the well-heeled and powerful. Though the impact of taxes and lost Social Security benefits are less dramatic, it can be substantial even on an individual with a taxable retirement income of, say, $10,000. Were he to take a job paying another $10,000, his effective tax on that sum would be more than 50 percent.

As our retired executive asks, why should the government want to create such a huge disincentive to work beyond age 65? Some would argue it should do so because of unemployment in the nation and the need to free jobs for others. But this argument overlooks the fact there are shortages of skilled people in many fields. It also overlooks the heavy financial burden a growing retired population, combined with inflation, is putting on Social Security and private pension plans. Encouraging later retirement would provide some modest relief, perhaps some needed boost to national productivity.

Few would argue that Social Security benefit shouldn't be reduced to offset earned income, as they are now until a person reaches age 70. The question is whether the current combination of taxes and benefits reductions isn't too large.

A simple answer, as the retired executive observes, would be to place a ceiling on the total cost in taxes and lost benefits so it wouldn't exceed 50 percent—or even 70 percent—of earned income.●

## JEREMIAH F. O'CONNOR

### HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. RODINO. Mr. Speaker, I want to point out an article which appeared in the New York Times describing a distinguished public servant from my home State of New Jersey.

Mr. Jerry O'Connor, the freeholder director of Bergen County, is known in northern New Jersey for his personal commitment and concern for the citizens of Bergen County. I am very pleased to see that his leadership on the Board of Chosen Freeholders has been recognized because his career is a fine example to young men and women who want to better their communities through government service.

Mr. Speaker, I would like to include a copy of the New York Times article from March 11, 1979 into the RECORD.

The article follows:

A MAN OF MANY HATS TO DOFF ONE OF THEM

(By James F. Lynch)

HACKENSACK.—Until Jeremiah F. O'Connor was elected to the Bergen County Board of Chosen Freeholders in 1974, the position of Freeholder Director had been rotated each year, with an incumbent seeking re-election usually filling the role as a public-relations device to stay before the public.

Mr. O'Connor changed that concept and is now in his fifth straight year as director of the nine-member board. However, this is a record that is unlikely to be extended, for Mr. O'Connor has said that he will step aside for someone else next year.

"To rotate the leadership merely leaves a vacuum of leadership," Mr. O'Connor commented the other day. "I don't think you should rotate the director's job just so that everyone is happy. If you're elected, you have a job to do, and leadership is part of that job."

Noting that his election marked only the second time in 60 years that the Democrats had controlled the Freeholders, Mr. O'Connor said that the "timing was right" for the changed concept on the board.

"It was a time of fiscal crunch," he recalled. "We needed to consolidate and control the bureaucracy and make it more centralized under the elected officials. As a result, we were able to achieve greater efficiency through stronger budgetary control."

Attracted to politics by John F. Kennedy's campaign for President, Mr. O'Connor served on the Board of Adjustment in Saddle Brook before being elected a Councilman there and then Mayor in 1965. That was the same year that he was elected to a two-year term in the State Senate, thus giving him experience at the local, county and state levels of government. He also served for six years on the Division of Local Finance, a state agency that supervises the bonding proposals of municipalities.

"I'd have to say that a local mayor has the toughest single job in government today," Mr. O'Connor said when asked to compare the various posts he has held.

"The demands for services, because of the complexity of society, are growing. The problems of the Northeast, the aging population, the energy shortage, and all the other problems that are brought to a mayor for solution have made that job a fierce one. The mayor does not have the taxing powers to be able to meet the demands for services."

According to Mr. O'Connor, the only forums where taxpayers can address elected officials directly are "in the Council chambers of a municipality and at Freeholder meetings.' As he put it:

"The Legislature doesn't meet the public, except at public hearings on bills. In some ways, the legislators are insulated from the public, and I think it's unfortunate that we are nominating people for these posts who haven't had experience at the municipal level and therefore don't understand the interrelationship of government."

Despite the "insulation," Mr. O'Connor said that he enjoyed his service in Trenton.

"It was intellectually stimulating," he recounted. "It was challenging to know that you could introduce bills and try to get significant laws passed. As a Freeholder, though, I have more input; I'm involved with the whole process. If someone calls up and has a problem with welfare, I can pick up the phone and try to get something done that will resolve the situation."

As a sponsor of the state law that gave the vote to 18-year-olds, Mr. O'Connor does not think that the present drive to raise the drinking age is on the right track.●

## WILLI UNSOELD

## HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. BONKER. Mr. Speaker, Willi Unsoeld was an extraordinary person. He inspired people. They found renewed faith and confidence just being around him. To go climbing with Willi Unsoeld was an adventure. It was to excel.

But Willi Unsoeld was more than a world famous mountain climber. He was a genuine, warm, loving person. There was a spirituality about him. Here was a man at peace with himself and the world.

Early this month, this famous and unpretentious man became the victim of a climbing accident in Washington State's Mt. Rainier. It was ironic that this giant of a man could succumb to the likes of Mt. Rainier. He had conquered much greater.

It was an honor to have such a popular figure as a constituent, but it remains a God-given privilege to have Willi Unsoeld as a friend.

To say he will be missed sounds trite. He will be an enormous loss to everyone who crossed his path. But his greatness and humor, his joy and capacity for love will not be easily or quickly forgotten. Willi Unsoeld will remain indelibly in the hearts of everyone who ever knew him.

Mr. Speaker, of much that has been written about him, I have selected an article from the Washington Teamster dated March 9, 1979, for inclusion in the CONGRESSIONAL RECORD.

The article follows:

WILLI UNSOELD

(By Bill McCarthy)

Life's thin thread. Glancing at the front page of a newspaper such as the March 5, 1979, *Seattle Post-Intelligencer* can make a person feel very mortal and fragile. There was a large picture of a Charlton Hestonesque man, and—next to it was a dire headline: "Two Climbers Die—Unsoeld Killed by Rainier Avalanche." The Hestonesque man of course was Willi Unsoeld.

Life is certainly fleeting. Sunday, March 4, in the morning, Unsoeld was a happy, strapping outdoorsman, in the prime of his life at 52 years of age. He was leading a group of 29 climbers, most college students, on the 7th day of a long hiking and camping excursion along Mt. Rainier's winding trails when the unthinkable happened.

The P.I. report explained: "The group of 22 was descending the mountain through Cadaver Gap at about the 11,000-foot level when the avalanche swept down at 2 p.m. . . . several in the original party of 29 had come down earlier. Only two, Unsoeld and (Janie Diepenbrock, an Evergreen State College student from Sacramento) were buried by the snowslide, officials said. The remainder of the party pulled them out in 15 minutes, but both were dead."

Unsoeld, a professor at Evergreen, was a genuine American hero, an internationally famous mountain climber who scaled Mt. Everest in 1963. He had a relentless self-drive and disregard for his own safety—for instance, he did get to the top of Everest but in doing so he lost nine toes.

He showed an intellectual desire that matched his physical drive. He received a degree in physics from Oregon State University in 1951, a doctorate in philosophy from the University of Washington in 1959, and he was a life-long teacher. He was on the Evergreen faculty from 1971 until his death.

He lived his mountaineering experiences precariously balanced on sheer cliffs, over chasms, on slippery glaciers, under rocks and snow banks—only inches from demise. Finally, his luck ran out. Unsoeld, the master climber, was in the end crushed by treacherous Mother Nature, whose unpredictability can fool the smartest experts. Cadaver Gap did not get its name for nothing.

Some will say Unsoeld went the best way an adventurer can go—fast, doing what he loved to do most. But it would have been nice to have had him around to impart his rugged individualist philosophy to another generation or two of young people.

Heroes are hard to come by in America these days. It is painful whenever one dies, especially if the death is premature and tragic and the victim was a local figure.●

## EXPANSION OF COUNCIL ON WAGE AND PRICE STABILITY

## HON. GEORGE HANSEN

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. HANSEN. Mr. Speaker, tomorrow this House will continue consideration of a bill authorizing an enormous expansion of the power of the Council on Wage and Price Stability to impose wage and price controls on our already over-regulated economy. This proposed expansion is to take the form of a vast increase in budget to hire many, many more bureaucrats.

The purpose of the whole exercise is to shift the blame for inflation to the public. In fact, the blame for inflation lies entirely with the Government. It is our past recklessness in spending, financed by excessive monetary expansion by the Federal Reserve, that has resulted in ever-rising prices.

Attempting to shift this blame to the public, and specifically to businesses, is fraudulent and cowardly. Worse, it makes business all that less productive as our producers strive to cope with fumbling Government restrictions. I have always held that it is the small guys, the least vocal and least powerful, who are most hurt by inflation and other deceitful Government policies.

This morning, a most interesting short article appeared in the Wall Street Journal that gives one example of this result. It shows how the pricing controls in the aluminum industry have hurt most the little producers who can least afford the losses. In view of the debate scheduled for tomorrow, I commend this article to my colleagues.

The article follows:

ALUMINUM MAKES SCRAMBLING TO ADJUST TO REVISED, STRICTER PRICING GUIDELINES

(By Amal Nag)

PITTSBURGH.—Aluminum makers are scrambling to adjust to the government's recently revised, more restrictive price guidelines. But while the industry's big producers are pondering how to best take advantage of the tightened rules, many smaller producers and some buyers of the metal complain they must cope with an unexpectedly disrupted aluminum market.

Aluminum Co. of America, Reynolds Metals Co., Kaiser Aluminum & Chemical Corp. and Alcan Aluminum Corp.—The Big Four North American aluminum producers—all say they are "reviewing" the guidelines announced last Thursday. But it's clear the more restrictive price rules have scotched plans to take, through a one-time boost next month, most of the approximately 4.8 percent average price increase the industry is allowed.

That's because the guideline changers prohibit companies from immediately taking all the increases they're allowed in the second half of the government's program, which begins April 1. Companies must defer as much as half of the increases allowed in this period until the final quarter of the program, which begins July 1.

For instance, Alcoa, which had earlier announced April price rises averaging about 4.5 percent if spread across its entire product line, faces the prospect of somehow temporarily reducing those increases. While the No. 1 aluminum maker could reduce the average price by simply halting the sale of some products, analysts indicate that a rollback of some announced prices is practically certain.

Also, Alcan Aluminum, the U.S. subsidiary of Canadian-based Alcan Aluminum Ltd., deferred announcing a widely expected round of price increases last Friday. Alcan boosted the price of aluminum-can-body sheet by about 5.5 percent, effective immediately, on new orders, but said it was reviewing other price increases it was considering before the new guidelines were announced. The can-body sheet increase will use only a small portion of Alcan's total allowed increase.

Other, smaller producers are also changing their plans. Revere Brass & Copper Inc., for instance, noted that when it announced increases in its aluminum ingot price, effective this month, it warned buyers that prices for fabricated products would be rising soon, too. Currently, however, a Revere spokesman says, with the prospect that these prices will be held down, "everything is up in the air."

Buyers are also feeling the confusion caused by the revised guidelines. As each producer decides to raise prices on different products, buyers are tempted to abandon longtime suppliers in search of lower prices. But because markets for some products are extremely tight, producers can't assure new customers that all orders will be filled.

"This multitiered pricing system is going to be bad for all buyers," said one aluminum customer. Compounding the problem is the fact that the buyers can't be sure any longer which prices are rising or by how much.

"Different producers will raise prices on different products to fit the guidelines," complains a major East Coast buyer. "No one's even speculating on who's going to raise what price."

The uncertainty about prices the big producers will choose also poses problems for smaller producers. The small aluminum makers often produce only a limited number of products, and because they carry little market clout, they can't raise the prices of those items unless the big producers do, too. With the big producers choosing to raise prices only on selected products, smaller aluminum makers whose products aren't included in the price boosts are finding themselves stuck with shrinking profit margins.

"It's hard to increase our prices on those products and find anybody to pay for them," said John Eason, executive vice president of Revere's aluminum operations.●

## KEITH DORNEY—FOOTBALL AND SCHOLASTIC ALL-AMERICAN

### HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. RITTER. Mr. Speaker, on Friday, I will be pleased to attend a dinner in the Lehigh Valley honoring a fine athlete and an outstanding young man: Penn State's football star, Keith Dorney. We in the Lehigh Valley are very proud of Keith, and I would like to include in the RECORD my remarks about Keith's career.

My first notice of Keith Dorney came sometime between 1973 and 1975. At that time, he was playing both football and basketball at Emmaus High School and I was living right near the high school. I used to read in the paper about Keith's early athletic accomplishments. During those years, we in the community were quickly recognizing his superior abilities. And, as time passed, and as Keith grew, and grew, and grew, so did his reputation—spreading throughout the Lehigh Valley, the State, and eventually the entire country.

Keith Dorney is a young man who has always been a highly motivated individual. One dedicated to getting the absolute most out of his abilities, both athletically and academically. Keith's dedication to his athletic abilities was demonstrated over and over again during his football career at Penn State, and is evidenced by his numerous all-American awards. Keith's dedication in the classroom, while not nearly so well publicized, is evidenced by his academic all-American award and a 3.3 cumulative academic average in Penn State's School of Business Administration; an accomplishment especially significant in light of the enormous demands placed upon Keith by his participation in football.

Keith Dorney and Penn State Football—tonight the two seem almost synonymous. But, it was not always that way. During Keith's senior year at Emmaus, coaches from around the country bombarded the Dorney home with pitches for their schools—around 80 altogether. But, it was Penn State who impressed Keith as being the most sincere. After all, it was they who set up a special visit for Keith, and still wanted him, even with his broken thumb. Local fans, proud of Lehigh Valley football and proud of Penn State, were pleased and excited to hear of Keith's decision to play his college football in his home State.

Now, with that stage of Keith's football career over, next up is the pro draft. And, would it not be nice if Keith could continue to play nearby for the Philadelphia Eagles. But, we here tonight, along with Keith, realize the chances of that happening are not very good. With his abilities, Keith will very likely go early in the draft—to one of the teams involved in that process known as "rebuilding." Taking part in that kind of program, or any program with an NFL team, will present a new challenge for Keith Dorney. But, we all know he will meet it head on, much like he meets opposing linemen, and just like he has met challenges on and off the field at Emmaus High School and Penn State.

Keith Dorney is more than a football All-American and academic All-American. He is the kind of young citizen whose example we like to have people follow, young and old. And, he is the kind of person we in the Lehigh Valley can all be very proud of.●

## EXEMPT SMALL BUSINESS PROGRAMS FOR CERTAIN PROVISIONS OF MULTILATERAL TRADE AGREEMENTS

### HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. MITCHELL of Maryland. Mr. Speaker, today marks the first anniversary of the House of Representatives passage of H.R. 11318, now Public Law 95–507, the most significant piece of legislation ever enacted to benefit the socially and economically disadvantaged business community.

On October 24, 1978, President Carter, at 3:15 p.m., signed that bill into law, an act which many believed to be a major step toward his promise to triple minority procurement and contracting opportunities within the Federal Government. I believed then that the socially and economically disadvantaged of this society were finally on the road to economic parity. Today, the balloon of my optimism burst, scattering the hopes, promises, and expectations to the winds of betrayal.

This morning, the Subcommittee of General Oversight and Minority Enterprise of the Committee on Small Business held a hearing on the recent multilateral trade agreement process, orchestrated and designed by Special Ambassador Robert Strauss, under powers bestowed upon him by the Trade Act of 1974. The hearing was convened as a result of a Washington Post article of March 5, 1979, addressing the thrust of a multilateral trade agreement that would stifle contract and procurement preferences afforded to small and minority enterprises.

Subsequent to the Post release, the subcommittee, of which I am a member and chairman of its task force on Minority enterprise, met to assess the impact of the trade agreement on the small and minority business sector. Two weeks, thousands of angry telegrams and letters, a special explanatory document and subcommittee testimony from the Ambassador later, I am convinced that an otherwise sound and progressive trade agreement reeks with an insidious mechanism to undermine and undercut the efforts that have been gained on behalf of the socially and economically disadvantaged business sector. To my mind, the sanction of this trade agreement would amount to a betrayal of black and minority business in this country. And, the weight of the betrayal is that of the President's.

I say this is a betrayal for several reasons. First, Ambassador Strauss calls the shots in engineering the multilateral trade agreement, and I seriously doubt that President Carter had knowledge of this sellout of minority business. Second, Ambassador Strauss had full knowledge of the President's commitment to minority business.

The President had publicly praised the set-aside for minority business under round II of the local public works law.

The President had publicly announced his order for Government agencies to triple the amount of business they did with minority firms. The President made that announcement on March 27, 1978.

The President signed Public Law 95–507 on October 24, 1978 and publicly praised the minority business enterprise provisions of the law at the time of signing.

Ambassador Strauss knew of the President's commitment to minority business yet he proceeded to undermine minority business in the proposed multilateral trade agreement.

It is cruel and ironic that this sellout should occur 1 year after the U.S. House of Representatives passed this legislation which was signed into law last fall.

It will take a massive outpouring of opposition from the affected groups to prevent the pernicious portions of the trade agreement from being approved. I intend to lead the opposition. We are up against the multinational corporations, and their administration and legislative allies, who will benefit from this arrangement which will undermine opportunities for small and minority businesses, but we have faced formidable foes before and we have won.

In an effort to prevent such insidious-

ness in the future, I am introducing a bill today that would amend the Small Business Act to provide that procurement programs under the act remain in full force and effect without regard to the enactment of any implementing bill under the Trade Act of 1974, or any other provision of law before or thereafter enacted. I call upon this body's support in this effort.●

## CONTACT CONGRESSIONAL COMMITTEES TO CURB WASTE

### HON. ADAM BENJAMIN, JR.

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. BENJAMIN. Mr. Speaker, I share with my colleagues an ever-increasing criticism from constituents on Government misjudgment, waste, fraud, and abuse of Federal funds and programs.

This criticism is coupled with a distrust and growing lack of confidence in the entire Federal system. Our constituents look to their elected representatives to halt this unnecessary drain on their tax dollars.

Where do we begin to make a dent in this major problem and restore confidence in our Federal Government? While there are many acceptable approaches, I urge and request that my colleagues transmit reported instances of abuse and mismanagement of Federal funds to the attention of the appropriate congressional committees and agencies for review and necessary action.

The 96th Congress has been hailed as the "Oversight Congress." I believe that this action will aid our committees in their required review of Federal programs under their jurisdiction.

I realize that all reports of the news media are not entirely accurate at all times. However, the published articles will trigger appropriate congressional investigation when necessary.

To date, I have transmitted numerous articles and communications to the appropriate authorizing and appropriations subcommittees and Federal agencies. Some have proved erroneous and I thank my colleagues and the applicable agencies for their time and logical response.

Some are apparently under review and I trust that I will receive an adequate response shortly.

Some are being pursued by the appropriate congressional committees and agencies and the results of the probes may well cure the problem and identify miscreants for more appropriate action.

Unfortunately, others have been answered with an agency response which is less than clear, concise, and comprehensive—in fact, quibbling might be a more adequate description. In those cases the agency can rest assured that they have lost my support until such time as I receive an adequate answer in understandable language and am assured that the problem is or will be corrected.

I will continue to bring reported instances of fiscal irresponsibility involving Federal funds to the attention of my colleagues, the appropriate congressional committees and agencies, and will refer all cases to an investigative arm for action. I encourage my colleagues to participate in this endeavor and would especially appreciate being apprised of instances which might fall under the jurisdiction of the Appropriations Legislative Branch Subcommittee.

In conclusion, and to illustrate my point, I commend my colleagues' attention to the following Chicago Tribune article on the apparent abuse of VA education benefits under the GI bill. I have forwarded copies of this article to the authorizing committee and the Veterans' Administration for their review and any necessary action. I am also hopeful that our veterans' organizations, which so often demand our support, will pursue this report to assure that veterans' funds are being appropriately expended.

VA PAYING INMATES FOR FREE SCHOOL

The Federal government is paying 186 Illinois prisoners thousands of dollars each month for educational expenses even though prisons provide their schooling free.

The payments could total $311 a month for those attending grade school, high school, or college classes at least 12 hours a week.

The school is funded through the G.I. Bill, handled by the Veterans' Administration. The prisoners are eligible for the funds if they received an honorable discharge from military service.

"Once the government gives him [the prisoner] the money, it's his money and there's nothing anybody can do about it," said Donald Harvey, warden at Pontiac Correction Center.

Although the number of students varies from semester to semester, prisoners at nine Illinois institutions—including Stateville and Marion—are receiving the benefits.

"We determine if the veteran is eligible, and these men are eligible under federal law," said Vern Rogers, a VA spokesman. "We are only adhering to the letter of the law."

Payments are made to the individual veteran, not to the school, Rogers said.

Funds are also provided for books and supplies, which the prisons also provide free.

Inmates who are married and have children could receive up to $20,000 for attending classes full time for four years.

An inmate who served at least six months in the armed forces would receive at least $311 a month for attending classes fulltime, plus $59 if he is married and an additional $52 for a child. An extra $26 is added to the allowance for each additional dependent.

"If the federal government thinks this person is entitled to federal money, this institution can't tell the person how to spend it," said Harvey.

"If an inmate wants to buy a television set or new stereo with the money, he's free to do it," he said.●

## THE DEDICATION OF CLIFFORD HOUSE

### HON. STEWART B. McKINNEY

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. McKINNEY. Mr. Speaker, adequate housing for the elderly and handicapped is a goal for which we often strive, but all too seldom meet. Today, it is my pleasure to note a successful step toward that goal. On March 8 Bridgeport, Conn. celebrated the dedication of its Congress Plaza housing tower for the elderly and handicapped. One hundred and one units in the center city area will go a long way toward meeting the needs of the city's aged and I am proud to bring this project to the attention of my colleagues.

Funded with construction loans from the Connecticut Housing Finance Authority (CHFA), rental assistance through HUD's section 8 program and FHA mortgage insurance, this project is a sterling example of meaningful cooperation between State, Federal and local agencies, each assuming its fair share of the burden. Those attending tne dedication also had special praise for the local project developer, Peter Kapetan, and his company, Kapetan Associates.

Finally, in the spirit of our commitment to address the long-neglected needs of the elderly residing in our cities, the Congress Plaza housing project in Bridgeport was named after Mr. Arthur Clifford who served as the first chairman of Bridgeport Redevelopment Agency. I am proud of this accomplishment and fervently hope it is the beginning of a national trend toward better housing for the aged and handicapped.●

## A POLICY THAT WILL DESTROY THE FEDERAL BUREAU OF INVESTIGATION AND THE CENTRAL INTELLIGENCE AGENCY

### HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. RUDD. Mr. Speaker, I have just received a copy of a letter to President Carter which, to my mind, spells out in a very precise way the essential danger and misguided nature of the administration's current policy concerning our Nation's intelligence operations and national security—past, present, and future.

The letter was written by a distinguished Washington attorney, Edward P. Morgan, who is a legal scholar in this area and has also served as a special agent for the Federal Bureau of Investigation.

Mr. Morgan stated in his covering letter to me—

It is truly lamentable that at a time when this nation needs the *strongest* possible FBI and CIA to combat the onward rush of Soviet imperialism, we find the *weakest* administration in our history—ostensibly hell-bent upon nullifying the effectiveness of both these great institutions.

Mr. Speaker, I could not agree more with that assessment. I would like to include Mr. Morgan's good letter to the President at this point in the RECORD:

WELCH & MORGAN,
ATTORNEYS AT LAW,
*Washington, D.C., March 12, 1979.*

The PRESIDENT,
*The White House,*
*Washington, D.C.*

MY DEAR MR. PRESIDENT: I am a deeply concerned American citizen, who has practiced law in Washington for 30 years and at one time was a Special Agent of the Federal Bureau of Investigation.

Over two years ago, some 150 agents or

former agents of the FBI were advised by Department of Justice attorneys that they were "targets" for criminal prosecution by reason of alleged invasions of privacy in connection with investigations to apprehend infamous bombers identified with the so-called "Weatherman" organization. This action had an unbelivably chilling impact upon the FBI and its morale. Yet, after months of investigation, only two indictments were handed down, both of which are instructive.

On April 7, 1977, former Special Agent John J. Kearney was indicted less than three months *after* former Attorney General Edward H. Levi, after an exhaustive inquiry, had publicly stated on January 14, 1977, in relevant context—

That prosecutions were ill-conceived inasmuch as agents had "substantial basis for thinking" their actions were lawful; that it would be "unfair" to prosecute under such circumstances; that erroneous assumptions in this area "were in large part the fault of the government"; that the Department of Justice's "own attitudes must have appeared at least equivocal"; that prosecution would be a "hyprocritical" act by the Department of Justice; and that the Department itself "stands indicted" for its failure to provide adequate guidelines to agents.

Most certainly, in contemplation of the foregoing strictures against any prosecution of CIA or FBI agents, one would assume that the alleged case against Agent Kearney was indeed particularly heinous.

And yet, after a cost of $158,000 to Agent Kearney (which he didn't have) and 12 months of mental and emotional anguish, the indictment against him was dismissed by the Department of Justice on April 10, 1978, for the stated reason that his "level of authority and responsibility was below or equal to that of several men who will not be prosecuted." What remained unsaid was the fact that the Department knew that it could not convict Kearney in consideration of *United States* v. *Barker and Martinez*, 546 F. 2d 940, decided May 17, 1976, holding, in net effect, that an agent has a defense to a charge such as that involved where he acted out of a good faith reliance that his actions were properly authorized.

Significantly, the *Barker-Martinez* case was decided over ten months *before* Mr. Kearney was indicted. Accepting the good faith of the would-be prosecutors, it must be assumed that, in indicting Kearney, they had failed to heed the controlling legal precedent precluding a conviction.

Undaunted, upon the selfsame day (April 10, 1978) that the Kearney indictment was dismissed, the Department's "prosecutive team" proceeded to indict (in a joint indictment) L. Patrick Gray (former Acting Director of the FBI), W. Mark Felt (former Acting Associate Director) and Edward S. Miller (former Assistant Director).

Now, nearly one year later, they have not been brought to trial. Interestingly, continuances have been requested by the prosecution itself by reason of the fact that a prosecution would reveal sensitive intelligence data that should not be publicly exposed.

Moreover, Messrs. Felt and Miller are defending on the ground that anything they may have done was approved by Mr. Gray, a valid *Barker-Martinez* defense; whereas Mr. Gray is defending on the comparable ground that anything he may have done was approved by higher authority, presumptively by the Attorney General or the White House.

This litany of the "prosecutive team's" marching up the hill, only to march down again, is symptomatic of the basic problem; i.e., the entire thesis for this prosecution is ill-conceived, improvident and legally unsupportable. The FBI was engaged in an effort to apprehend the fugitives of the Weatherman Underground, who are dedicated Communists identified with foreign revolutionary groups. They, admittedly, were guilty of many deadly bombings, including the Pentagon and U.S. Capitol. Enclosed is a treatise from authoritative sources, tying the Weatherman, in terms of ideology and training, to the international Communist revolutionary and terrorist conspiracy, which is the handmaiden of Soviet imperialism. The present distinguished Director of the FBI has recently asserted that the Weatherman organization is—"the closest thing we have in the United States to international terrorism."

What follows as material is the fact that these substantial foreign connections of the Weatherman render the case involving Felt, Miller and Gray to be one involving *national* security as distinguished from mere domestic security. In the *Barker-Martinez* case, Judge Wilkey stated:

"We all know that physical entry for the purpose of auditory search has been authorized by President and Attorney General for forty years in national security related cases."

The Attorney General to this very moment asserts this authority for warrantless searches in national security cases—and the Supreme Court has not disavowed his authority in this respect. *United States* v. *U.S. District Court*, 92 C. Ct. 2125, 2132 (1972). Inasmuch as *national* security, involving an organization with substantial foreign connections, was clearly involved, there is, simply stated, no case against Messrs. Felt, Miller and Gray.

In consequence, it is an appalling picture to find these fine public servants being put through the anguish of the damned for an offense that doesn't exist and for efforts to apprehend vicious killers by bombing, indubitably the most dastardly and promiscuous taking of human life by a despicable outfit trained abroad in revolutionary terrorist tactics.

Before ending this letter, which is already much too long, I do wish to list seriatim some compelling reasons why, at least in my judgment, your prerogative as the nation's Chief Executive should be exercised to occasion the dismissal of the Felt-Miller-Gray indictment pursuant to the undoubted discretionary authority of the Attorney General.

I

Mr. President, the free world is literally burning about our feet with a progressive threatened diminution of America's prestige and security unparalleled in the history of the Republic. As never before, we must have a strong FBI (and CIA)—which is an utter impossibility if FBI agents are to be prosecuted for alleged felonies in discharging their duties to protect the life and property of our people from dastardly bombings by sheer degenerates doing the bidding of foreign forces committed to our national destruction.

It has well been said that any government unable, unwilling or incapable of protecting its people from their avowed enemies is unworthy to exist.

II

The nation's press has referred broadly to your disillusionment that the CIA had failed to advise you of the perilous build-up of forces that occasioned the revolution in Iran, with its untold dangers to our security in the world as yet not fully assessed. But really, Mr. President, can we fairly have expected anything else, what with the CIA having been brought to its knees and its effectiveness nullified by ill-conceived widely-publicized attacks upon it, all to the injury of our national security?

Is the same thing to be done to the FBI? If so, with what weapons shall we brace ourselves against the inexorable ever-expanding worldwide march of Soviet imperialism?

For over 50 years, the vanguard of Soviet imperialism has been a conspiratorial international Communist apparatus, variously masking itself in many different countries. This apparatus has adapted and adjusted to the variable *tactics* of Soviet imperialism—moving inexorably, however, toward its ultimate *strategic* goals. Free world nations, notably the United States, have no effective counter to this insidious apparatus—apart from their counterintelligence forces, pertinently our CIA and FBI. These agencies must not be further weakened, lest the United States stand naked before an implacable foe dedicated to the total destruction of our free enterprise system and democratic institutions. Their integrity, efficiency and resourcefulness must not be compromised. Upon them our liberty depends!

III

The FBI is a para-military organization. Its agents must act with immediacy upon countless occasions without question in the certain conviction that their good-faith efforts, believed legally authorized, will not subject them to the stigma and ruin of prosecution. On the very day that an agent must consult a lawyer or a law book in this setting, *on that day the FBI dies!* And with it, the finest law-enforcement organization the world has ever known. I feel certain that this is not a legacy which you wish to leave.

IV

Following the threat of prosecutions over two years ago, the morale of the FBI fell to a deplorable low. Fortunately, in the interim since that time, you displayed the great good judgment of naming Judge William H. Webster to head the Bureau. Slowly, quietly and effectively, Judge Webster has to a high degree restored the FBI's morale and redirected it in new and vital areas. Frankly, it is very possibly on the road to being an organization greater than ever before.

However, Mr. President, there is one thing I can tell you with assurance. If the pending prosecution goes forward—and particularly if a conviction eventuates through some miscarriage of justice—we can all kiss goodbye even the hope that the FBI will ever again be anything but a pusillanimous organization. All the great work of Bill Webster will be down the drain!

V

Nothing is more precious than due process of law and nothing is more anathema to our concepts of justice and fair play than prosecutions based upon retroactive or *ex post facto* application of the law. The simple fact is that the FBI to this very day has not been given any statutory guidelines in the delicate field of activity touching upon individual rights to privacy. If indeed there is to be some "new ethic" to the espoused and enforced, let us forthrightly and honestly assert it for the guidance *prospectively* of the FBI and its agents.

VI

Apart from situations involving offenses essentially *malum prohibitum* in character, the American accusatorial system of criminal jurisprudence contemplates that the element of criminal intent of *means rea* will be proved in support of a felony. This critical element, *criminal intent*, is wholly lacking in the assertedly offensive conduct of Felt, Miller and Gray. In an analogous situation, former CIA Director Richard Helms admittedly was responsible for warrantless physical intrusions by the CIA in Arlington, Virginia. Nonetheless, the Department of Justice declined prosecution of Helms for the reason that criminal intent was lacking. Interestingly, Helms also asserted the position that he had good-faith reason to believe that warrantless physical intrusions were legally authorized.

Why, it may be asked, if equal justice under law has any meaning, can the declination of prosecution in the case of Helms be squared with the pending proposed prosecution of Felt, Miller and Gray? Simply stated, it cannot!

VII

You have been in the forefront of a highly-commendable crusade for "human rights."

Yet, persons apparently bent on destruction of our great institutions, notably the FBI and CIA, have sought to sell the absurdly specious thesis that actions of these agencies touching upon the so-called right of *privacy* are equated with violations of human rights. Nothing could be farther from the truth. Human rights embrace rights inherent in man's dignity as a human being, including sheer genocide most graphically evinced in the slaughter of 6,000,000 Jews by Nazi Germany. It is untenable and ridiculous to equate human rights with a right to privacy. Indeed, the Supreme Court has failed to this very day to fully articulate and explicate the parameters of a citizen's right to *privacy*—doubtless for the very good reason that no right of privacy can have primacy over the right of the state to secure and obtain evidence relevant to offenses fraught with a potential to destroy broadly the very life, liberty and property of our citizens if not the body politic itself. This is the offense of which the Weatherman were guilty.

VIII

In the foregoing setting, it should be repeated, as earlier pointed out, that the crimes of the Weatherman clearly involved *national* security. The Department of Justice at this very moment asserts that warrantless physical intrusions are permissible in national security matters.

Paradoxically and unbelievably, Felt, Miller and Gray stand indicted by the Department of Justice for *an offense that does not exist*—by the Department's own declarations. Indeed, as Attorney General Levi publicly stated—

"What really stands indicted is the government as an institution [pertinently, the Department of Justice itself]; specifically, its failure to provide adequate guidance to its subordinate officials, almost consciously leaving them to 'take their chances' in what was an extremely uncertain legal environment."

IX

As cogently stated by Judge Leventhal in the *Barker-Martinez* case:

"Our system is structured to provide intervention points that serve *to mitigate the inequitable impact of general laws* while avoiding the massive step of reformulating the law's requirements to meet the special facts of one harsh case. *Prosecutors can choose not to prosecute, for they are expected to use their 'good sense . . . conscience and circumspection' to ameliorate the hardship of rules of law.*"

Even if, contrary to fact, a clear offense of substantial proportions was involved, the Felt-Miller-Gray indictment manifestly constitutes an inequitable impact of general laws or concepts vis-a-vis privacy—and cries out that the Attorney General should dismiss the indictment in the name of elementary justice, fair play, "good sense . . . conscience and circumspection." [Language first voiced by the United States Supreme Court in *United States* v. *Dotterweich*, 320 U.S. 277, 285 (1943)]

A great nation does not consciously destroy those institutions that make it great. Let us end our day of shame that is the Felt-Miller-Gray indictment!

X

It is of some associative relevance to say that the responsible *voting* population of this nation supports the FBI and looks to it as a bastion of their security. If not terminated, the ultimate adverse political impact of this ill-founded prosecution can well be severe. After all, whoever got any political mileage out of destroying a national monument—without justification!

With expressions of esteem,

Cordially,

EDWARD P. MORGAN.●

## THE HARP SEAL HUNT

## HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mrs. SCHROEDER. Mr. Speaker, a brutal rite of spring is the harp seal hunt which began March 10 this year. By the time the hunt is over on April 24, as many as 180,000 young pups will have been killed. The trinkets, souvenirs, and furs are pretty. The hunt is not. I would like to enter in the RECORD the attached letter which my 8-year-old daughter wrote to Canadian Prime Minister Trudeau, and a pertinent article from the March 5, 1979, issue of the Christian Science Monitor.

DEAR MR. TRUDEAU: We are going to boycott Canada if you don't stop this sickning thing. How would you like to be clubed in the neck with a giant fish hook. I'm an animal lover and I saw the whole process on chanel seven and it's gross please stop this slaughter! All these poor innocent helpless seals are killed because a rich man or woman or child wants a pear of boots or a coat it's stupid what have they dune to diserve it. We will boycott Canada we won't by anything from you.

From

JAMIE SCHROEDER.

[From the Christian Science Monitor, Mar. 5, 1979]

SEAL HUNT—EFFECT ON SPECIES

(By Sara Terry)

BOSTON.—At the eye of the turbulent storm of protest surrounding Canada's annual seal pup slaughter—set to begin March 10—lies a much calmer biological debate:

What is the long-term impact of hunting a species which has been cut from an estimated peak of 3 million to 4 million to nearly a third of that today?

Many scientists say that question can be answered with data now available. Others argue that a wide range of uncertainties, including the exact number of harp seals, makes it presently impossible to arrive at clear-cut answers.

Most of those involved, however, seem to agree on one point: The harp seal is in no danger either of becoming extinct or of winding up on an endangered species list.

But from there the debate takes off.

The scientific queries are only the tip of the iceberg of controversy engulfing the hunt of the Northwest Atlantic harp seal herd, which takes place on the ice floes off Newfoundland. For years, ecological and animal protection groups have waged an emotional campaign, calling the killing of the brown-eyed, pure white pups an unnecessary cruelty.

The Canadian Government, however, has countered by claiming that the centuries-old hunt, which has a quota this year of 180,000 pups, is an economic necessity. The seal pelts are used in making trinkets, souvenirs and furs.

But the scientific debate largely centers around the methods and figures the government uses to determine a harvest quota.

According to Mac Mercer, associate director of the Fisheries Research Branch of the Canadian Department of Fisheries and Oceans in Ottawa, the 1979 quota has been set at a level which will allow the current herd (estimated to be between 1.3 and 1.4 million) to continue a pattern of slight increase which has developed in recent years.

In fact, he claims, the quota could be increased from 180,000 to as high as 240,000 pups, according to recommendations made last November by a panel of government-selected scientists. Those scientists estimated that between 345,000 and 358,000 pups will be born this year, Mr. Mercer says.

Many scientists disagree with those figures, including Dr. David Levigne, a zoology professor at the University of Guelph in Ontario who has studied the harp seal for several years.

"The 180,000 quota is too high relative to what we know of harp seals," says Dr. Levigne, who claims that the world's two other harp seal herds—one in the White Sea and one off the east coast of Greenland—may be in "worse" condition than the Northwest Atlantic harp seals hunted off Newfoundland.

"At the present time ,it's not a question of whether the [Northwest Atlantic] herd will survive or die, but whether it will increase or decrease," he continues.

Adds Dr. Bob Hofman of the United States Marine Mammal Commission, "The Canadians and Norwegians have made a decision . . . with a lot of human value judgments involved. And we're questioning the validity of that determination.

"We can't tell now with a high degree of reliability how the harvest will affect the herd," says Dr. Hofman, who explains that the Commission has just contracted to have a year-long analysis made of all the data and models used to set the pup quota.

The issue, he says, is one of "population management"—finding the maximum number of pups which can be taken each year without causing an overall decline in the herd's population. Along with that concept, he says, is the need to analyze how man's impact on the harp seal affects the entire ecosystem to which the seal belongs.

However, argues Dr. Keith Ronald, dean of the College of Biological Sciences at the University of Guelph and a member of the Committee on Seals and Sealing (a government advisory body), "more is known about the harp seal than almost any other wildlife species.

"The population may be threatened if it isn't managed properly in the future," he says. "But that could happen to any species. This is a conflict between marine mammals and man, and where the two compete, the marine mammal usually loses.

"But we may be in a position this time where the marine mammal will not lose," he predicts. "There's been enough confrontations and public outcry over the harp seal that nobody can dare make a mistake now of the kind that would make this animal extinct."●

## THE 1979 TATTOO

## HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. WOLFF. Mr. Speaker, I am proud to report to the Congress of the magnificent production of the 1979 Tattoo staged and directed by Comdr. Kenneth R. Force, U.S.M.S., and presented by the U.S. Merchant Marine Academy of Kings Point, N.Y., under the auspices of Rear Adm. Arthur B. Engel, U.S.C.G. (Ret.).

My pride is based, not merely on the extraordinary performance given by the Academy, but by the continual achievements of the Merchant Marine Academy over the years. Today, the Kings Point Academy has more than 15,000 graduates, many of whom have served with

distinction throughout the spectrum of the maritime industry—as ship's officers, steamship company executives, admiralty lawyers, marine underwriters, naval architects, oceanographers, and as career officers in the U.S. Navy and Coast Guard in virtually every rank from ensign to admiral.

Webster's dictionary gives a modern definition of "Tattoo" as "military evolutions of spectacular character performed to the accompaniment of music." It is the spectacular character of the Academy that makes it a privilege for me to serve as a member of the Board of Visitors of the U.S. Merchant Marine Academy and to have this great institution in my congressional district.●

## H.R. 2366, TO AMEND THE FEDERAL RAILWAY SAFETY ACT OF 1970

### HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. BONER of Tennessee. Mr. Speaker, on the 26th of February 1979, I introduced H.R. 2366 which is an amendment to the Federal Railroad Safety Act of 1970. The earlier legislation contained provision which contemplated State participation in the investigation of railroad safety regulations which had been promulgated by the Federal Railroad Administration. One of the main purposes of the passage of this legislation 9 years ago was to institute some degree of uniformity in safety regulations. This was done so that the multistate carriers would have only one set of regulations to which they had to comply.

Both the National Association of Regulatory Utility Commissions and the National Governor's Conference in 1970 at their national conventions endorsed the Senate version of this legislation which would have allowed the States to adopt and enforce the Federal standards in State courts in a similar fashion to the system of shared enforcement responsibilities which exists between the States and the Federal Government through the Natural Gas Pipeline Safety Act of 1978. The House version of that of the Railroad Safety Act provided for injunctive relief in Federal district courts. In passing the final bill the Congress adopted the conference report which provided that a State may petition the Federal district court to assess and collect penalities or grant injunctive relief if the Department of Transportation does not assess penalities or seek injunctive relief within 90 days of the occurrence of the violation. There are two ways under the act that a State may participate:

First. Through the process of annual certification, and

Second. Through agreements entered into with the Secretary.

While several State commissions began, as soon as the opportunity became available, to attempt to participate these efforts were, and continue to be unsuccessful. It was found that in those States which did not have an effective railroad safety program prior to the enactment of the Railroad Safety Act the legislation proved to be both helpful and beneficial. However, to those States which had an effective State railroad safety program the Federal legislation is a hinderance rather than a benefit. In the State of Tennessee, for example, employs 10 full-time railroad inspectors. If Tennessee were to participate in the railroad safety program, either through certification or agreement, they would be limited to two full-time railroad inspectors. This would hinder the Public Service Commission's show cause and enforcement process, and it would further require the Commission to wait 90 days before seeking an injunction in Federal district court. Our experience in Tennessee has shown that since the enactment of the Federal Railroad Safety Act in 1974 the number of derailments has more than doubled.

Mr. Speaker, my legislation, if enacted, will facilitate the more effective enforcement of Federal railroad safety standards and regulations by providing a structure for cooperation between the Federal Railway Administration and the State commissions. The intent of this legislation is to insure a swift and adequate means to correct dangerous railway conditions which might exist throughout the Nation.●

## NUCLEAR SAFETY

### HON. MORGAN F. MURPHY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. MURPHY of Illinois. Mr. Speaker, the closing of five nuclear plants by the Nuclear Regulatory Commission (NRC) comes at a time when our country urgently needs to reduce its dependence on foreign oil. The shutdowns were ordered to make sure that the plants' cooling pipes are capable of surviving a severe earthquake. It should be noted that reactors are typically built to withstand very strong earthquakes and that none of these plants is located in an earthquake-prone area.

Mr. Speaker, the Chicago Tribune has made some fine observations about the safety of nuclear power, and the Nation's need for such energy, in light of NRC's recent action. I would like to draw my colleagues' attention to this excellent editorial:

OVERKILL IN NUCLEAR SAFETY?

Was it a well honed sense of responsibility or a touch of bureaucratic overkill that prompted the Nuclear Regulatory Commission to shut down five big electrical generating power plants on the east coast this week because of questions about safety?

Generally, any doubts in this field must be resolved on the side of safety. Nuclear power carries too much potential for too horrifying harm to too many people to do otherwise.

Still, the hazards about which the Nuclear Regulatory Commission is concerned in this instance seem so theoretical as to be almost nonexistent. A computer model used to analyze what would happen to cooling pipes in the power plants in event of repeated earthquake shocks was found to be inaccurate. When the computer analysis is corrected, it may—or may not—show that some changes in the pipes are necessary for the requisite margin of safety.

But none of the nuclear plants is located in an earthquake area. No earthquake has been known to have occurred anywhere near. The commission itself estimates that chances of an earthquake in these regions is only 1 in 10,000 to 1,000,000—an assessment that prompted Sen. J. Bennett Johnston [D., La.], chairman of the Subcommittee on Energy Conservation and Regulation, to call the shutdown "absolutely asinine."

Another complication is that it will take 100,000 barrels of oil a day to produce the 4.1 million kilowatts of electric power generated by these nuclear plants. They will have to remain shut for several weeks while the new computer analysis is made and if modifications are considered necessary, perhaps for several months more. The Nation is already suffering a 500,000 barrel-a-day oil shortage.

The development and increased use of nuclear energy is vital to the United States, especially with the uncertainties about oil supplies from the Middle East. Every reasonable safety precaution must, of course, be taken—but we need nuclear energy too urgently to hold up its production over risks that are virtually nonexistent.●

## TURKEY MUST BE RESCUED

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. FINDLEY. Mr. Speaker, I would like to call to the attention of my colleagues the excellent editorial which appeared in the Denver Post on March 5, 1979. It sums up the tremendous problems facing Turkey today, the implications of those problems for the United States, and the immediate steps this country must take to reverse this dangerous and destabilizing situation affecting our NATO ally:

TURKEY MUST BE RESCUED

Turkey's problems, by any gauge, are so vast and so complex that no easy remedies are available. The inflation rate, fueled by a budget deficit that has quintupled in a year, exceeds 50 percent. It has foreign debts of $12 billion and almost no foreign exchange to pay for imports such as oil or industrial machinery. As a result, manufacturing output has been cut in half and exports have dried up. More than 20 percent of the work force is unemployed.

Thus, there is mounting frustration among Turkey's 42 million people; deepening economic troubles feed social and political violence.

There has been economic mismanagement in Turkey, or course, but much of it existed long before [Prime Minister Bulent] Ecevit came to power in January of 1978. Were he to tighten the economic screws on his people now to the degree the International Monetary Fund has demanded as a quid pro quo for bailing him out, he would face the likelihood of full-scale social revolution that could destroy Turkey as a modernizing nation.

What is needed now if Turkey is to remain a viable ally of the Western world is an international rescue operation whose scope has not been equaled since 1945. How much would it take? By all accounts, perhaps $10

billion to $15 billion over a five-year period, mostly in loans and credits.

The United States, West Germany, France and Great Britain would have to put up most of the money, although such Arab states as Saudi Arabia and Kuwait have shown interest.

Until now, the United States has been holding firm on a $300 million loan as the extent of its commitment. This is an unrealistically low figure if Turkey is to be saved. It should be increased to a figure more in line with Turkey's desperate needs. Such action would encourage our allies to open their purses a bit wider.

And what's to be gained? Well, our overall losses in the Iranian debacle are sure to run many times the amount Turkey now needs. And can one measure the value of a needed ally in dollar terms? Probably not.

Washington must mount an operation to rescue Turkey from chaos at once. We cannot afford to temporize until Turkey, like so many of our erstwhile allies, lies prostrate and dismembered.●

## TENSAS RIVER NATIONAL WILDLIFE REFUGE

### HON. JERRY HUCKABY

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. HUCKABY. Mr. Speaker, today I am introducing legislation to include certain lands in the State of Louisiana in our National Wildlife Preservation System, and thus be designated as the "Tensas River National Wildlife Refuge." I am very pleased that my esteemed colleagues from the States of Louisiana, Arkansas, and Mississippi have joined me in this virtuous effort.

The Chicago mill and lumber lands, located along the Tensas River in Tensas, Franklin and Madison Parishes of Louisiana have been appropriately termed "the Redwoods of the South" in that they represent America's last opportunity to create a viable national wildlife refuge for bottomland hardwoods. At one time, millions upon millions of acres of the lower Mississippi River flood plain consisted of these rich, dense woodlands. All types of fish, waterfowl, birds, and game use this type of forest as their life support. In turn, fishermen, trappers, hunters, and timbermen also use the bottomland forest to support their way of life. Now both the people and the animal life that have always depended on bottomland hardwoods are rapidly becoming extinct.

When President Jefferson consummated the Louisiana Purchase in 1803, the lower Mississippi flood plain contained over 50 million acres of bottomland hardwoods. By 1960, this figure had been reduced to less than 20 million acres. Today, there are just 1.6 million acres of bottomland hardwoods remaining in what is left of the lower Mississippi River flood plain. Furthermore, most of these 1.6 million acres are in scattered tracts averaging well under 1,000 acres a piece.

The problem, of course, is the rapid and almost total conversion of bottomland hardwoods into agricultural lands. The rich flood plain soil that produces these trees is also ideal for agricultural purposes after the forests have been cleared and the land drained. No one can argue that America does not need more agricultural development, but like the Redwoods of the West, the South has to maintain a link with its past and the way of life associated with a Southern heritage.

The Chicago mill and lumber lands are the South's last chance to provide that link. The Chicago mill and lumber tract consists of approximately 240,000 acres in Louisiana, Arkansas, and Mississippi, but the bulk of the land is one continuous block totaling almost 120,000 acres along the Tensas River in Tensas, Franklin, and Madision Parishes of Louisiana. Of those 120,000 acres, only 20,000 have been cleared. The remaining 100,000 acres represent the finest bottomland hardwood forest left in America today.

It was on this very tract that Teddy Roosevelt hunted bear in 1906 and the last ivory-bill woodpecker was seen in 1943. When the Louisiana Department of Wildlife and Fisheries leased this property from 1955 to 1966, it was by far the most popular of all of the wildlife management areas in the State of Louisiana and still ranks as one of the finest hunting, fishing, and trapping spots in the entire South. There is existing authority that permits hunting and fishing on national wildlife refuges at the director's discretion, and the U.S. Fish and Wildlife Service has indicated that this type of recreation in this area would not detract from its value as a national wildlife refuge.

In addition to our genuine interest in preserving this unique natural system for future generations, there are some economic benefits to be reaped. Unlike the redwoods of the West, bottomland hardwood forests can withstand selective cutting and the Chicago Mill and Lumber Co. presently operates 2 sawmills which employ approximately 300 people and produce 40 million board feet of timber each year. If the land becomes a national wildlife refuge, selective cutting will continue and the mills will remain in operation. However, if the lands are cleared, these sawmills will eventually lose their supply of timber and be forced to shut down. This could have a detrimental impact on the local economy.

In the event that there occurred a decrease of timber production due to the designation of the area as a national wildlife refuge, the loss of revenue through timber receipts would be offset by Federal payments to the municipalities under the refuge revenue-sharing program.

I would like to make it clear, Mr. Speaker, that in initiating legislation to include the Chicago mill and lumber tract in our National Wildlife Refuge System, I made certain that the boundaries were drawn so as to exclude already existing cleared lands. I fully support the development of agricultural interests in this area and sincerely believe that farming and wildlife protection can harmoniously coexist.

This large island of alluvial hardwood forest located amid a broad expanse of agriculture serves as a permanent home for many forms of wildlife. Reliable reports of cougar and bald eagle sightings are still received today from this area and its backwater lakes and sloughs continue to serve as a home for the American alligator. It is particularly noted for its large populations of deer, turkey, bobcat, otter, beaver, squirrel, rabbit, fox, raccoon, and waterfowl. A healthy population of black bear still thrive in the canebreaks and deep swamps of this area. Deer numbers probably exceed one deer per 10 acres. Literally millions of passerine birds utilize this area as a wintering spot or as a resting place on their annual flights down the great Mississippi Valley flyway twice a year. Many other members of the avian population utilize these forests on a permanent basis. Over 387 species of birds have been recorded within the boundaries of Louisiana and a great many of these use this area in some manner. Its backwater sloughs, lakes, and bayous are home for a great diversity of aquatic life including fish, reptiles, and mollusks.

Thus, from a natural, social, and economic point of view, the preservation of these lands would benefit and be supported by national, regional, and local interests. The biological potential of this area is unquestionably one of the greatest found anywhere.

The rich alluvial soils have the capability of once again producing forests of such stature as to be unsurpassed by any trees of our Eastern forests. We must move quickly to preserve this great hardwood forest, because certainly there is no similar wildlife ecosystem that is more deserving of public ownership and protection than this unique tract of bottomland forest.

Therefore, Mr. Speaker, I think I speak for my colleagues of Louisiana and the bordering States, by urging your support and expeditious consideration of my bill.

The text of the Tensas River National Wildlife Refuge is as follows:

H.R. 3107

A bill to establish the Tensas River National Wildlife Refuge

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

DECLARATION OF FINDINGS AND PURPOSE

SECTION 1. The Congress finds that—

(1) the great forests of hardwoods, which once covered more than vast acreages along the lower reach of the Mississippi River Valley, are rapidly being destroyed;

(2) the remaining forests constitute a unique ecological, commercial, and recreational resource, providing a combination of forest products, habitat for a diversity of fish and wildlife and opportunities to the public for scientific research and for such recreational activities as hunting, fishing, hiking, boating, and wildlife observation; and

(3) the area within which the Tensas River National Wildlife Refuge will be located contains one of the largest remaining tracts of dynamic hardwood forests in the Mississippi River Valley.

(b) The purpose of this Act is to establish the Tensas River National Wildlife Refuge.

DEFINITIONS

SEC. 2. For purposes of this Act—

(1) the term "refuge" means the Tensas River National Wildlife Refuge;

(2) the term "Secretary" means the Secretary of the Interior; and

(3) the term "selection area" means those lands and waters located along the Tensas River in Franklin, Madison, and Tensas Parishes, Louisiana, depicted on the map entitled "Tensas River National Wildlife Refuge, Selection Area," dated and on file at the United States Fish and Wildlife Service.

ESTABLISHMENT OF REFUGE

SEC. 3. (a)(1) Within one year after the date of the enactment of this Act the Secretary shall—

(A) designate not more than 100,000 acres of land within the selection area as land which the Secretary considers appropriate for the refuge; and

(B) publish in the Federal Register a detailed map depicting the boundaries of the land designated under subparagraph (A), which map shall be on file and available for public inspection at offices of the United States Fish and Wildlife Service.

(2) The Secretary may make such minor revisions in the boundaries designated under paragraph (1)(B) as may be appropriate to carry out the purpose of this Act or to facilitate the acquisition of property within the refuge.

(b) Within 4 years after the date of the enactment of this Act, the Secretary shall acquire (by donation, purchase with donated or appropriated funds, condemnation, or exchange) lands, waters, or interests therein, within the boundaries designated under subsection (a)(1)(B).

(c) The Secretary shall establish the Tensas River National Wildlife Refuge, by publication of a notice to that effect in the Federal Register, whenever sufficient property has been acquired under this section to constitute an area that can be effectively managed as a refuge. The boundaries of the refuge shall be the boundaries designated under paragraph (1)(B) of subsection (a), subject to such minor revisions as may be made under paragraph (2) of such subsection.

ADMINISTRATION

SEC. 4. The Secretary shall administer all lands, waters, and interests therein acquired under this Act in accordance with the provisions of the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–668ee). The Secretary may utilize such additional statutory authority as may be available to him for the conservation and development of wildlife and natural resources, the development of outdoor recreation opportunities, and interpretive education as he deems appropriate to carry out the purposes of this Act. The Secretary shall give special consideration to the management of the timber on the refuge to ensure continued commercial production and harvest compatible with the purposes for which the refuge is established and the needs of fish and wildlife which depend upon a dynamic and diversified hardwood forest.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated for the fiscal year ending September 30, 1980, and for subsequent fiscal years, such sums as may be necessary to carry out the purposes of this Act.●

## THE STATE OF BLACK AMERICA 1979

## HON. AUGUSTUS F. HAWKINS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. HAWKINS. Mr. Speaker, after reading "The State of Black America 1979," I felt compelled to insert into the RECORD a reprint of excerpts from the introduction and recommendation section of one of the most objective and useful documents I have read about the nature and dimensions of the problems encountered by black Americans and the poor. Compiled by several distinguished academicians and social scientists, under the auspices of the National Urban League, Inc., "The State of Black America 1979" should be read in its entirety by as many people as possible, and especially by governmental policymakers.

In my opinion, many people and policymakers, in specific, hold a number of basic misconceptions about the nature of our current economic problems and just how these problems affect the nature of life in Black America. Life for most black Americans, instead of being comparably comfortable—as many may think—is in fact, quite difficult, and in all too many instances reduced to a matter of basic day-to-day survival.

The income gap between blacks and whites is widening and black unemployment is at its highest level in history. Median income for black families is $9,242 as compared to $16,740 for white families; 28 percent of black families are poor, compared to 7 percent of white families. Unemployment in black America, including those who have given up looking for work and those who are forced to hold part-time jobs because they can not find full-time employment is 23.1 percent. In the context of working toward a full employment economy for all, these statistics, as well as data explored in the areas of education, health, national urban policy, black political participation, and affirmative action demand immediate responses and urge meaningful action to address the endemic problems afflicting black America. A reprint of excerpts from "The State of Black America 1979" follows:

EXCERPTS

INTRODUCTION

(By Vernon E. Jordan, Jr.)

As 1979 begins, it is apparent that the most serious problems confronting Black America are its intolerably high level of unemployment, especially among young blacks; the threat of a recession; the continuing assaults on the principles of affirmative action, and the creeping malignant growth of a "new negativism" that calls for a weak passive government and indifference to the plight of the poor. These are not problems that lend themselves easily to solution, but their existence is a clear signal that "The State of Black America-1979" is a most troubled one that poses a challenge to the American people as the decade of the 70s draws to a close.

The challenge is to find within ourselves the wisdom to understand the price we all must pay when so many of our people are still locked in poverty and shorn of hope. The challenge is to make that commitment of resources and boldness that will enable us to deal effectively with those hindrances that still prevent millions of our citizens from sharing in the fruits of our society that most Americans take pretty much for granted. The challenge is to repair the damages caused by historic neglect so that this nation can be what it has the potential to be but has never been—a truly open pluralistic integrated society.

None of this can occur, however, unless there is objective knowledge of the nature and dimensions of the problems encountered daily by black Americans and the poor. It is to add to the needed knowledge that the National Urban League has for the past four years issued its "State of Black America" report to the American people. This year we have called upon several distinguished academicians and social scientists to provide us with their independent and thoughtful analysis of the important events that occured within Black America in 1978 in a number of crucial areas. We acknowledge their contributions with thanks.

THE ECONOMY AND EMPLOYMENT

1. Federal job training and job creation programs that would increase earnings, productivity and tax revenues should be expanded and not reduced. The goal of reducing the federal deficit cannot be met if higher unemployment adds billions in lost tax revenue and in mandated insurance expenditures.

2. The Administration's efforts to curb escalating costs should be concentrated on those items—such as food, energy, health and housing costs—that are staples of low-and-moderate income family budgets. The imposition of selective price ceilings would lower the inflation rate while providing aid to inflation's prime victims.

3. Necessary cuts in federal spending should be made in areas other than those that are critically important to the poor such as health, income maintenance, etc.

4. The Administration should implement the employment section of the Humphrey-Hawkins Act and Congress should authorize and appropriate the monies necessary to reduce joblessness.

5. The trend of job movement to suburbs and the sunbelt requires new policies that will make suburban job opportunities available to low and moderate income families through housing programs, improved public transportation and vigorous enforcement of affirmative action and equal opportunity mandates.

URBAN POLICY AND HOUSING

6. The federal government must acknowledge the severe problems confronting the black urban poor during the urban revitalization process as they (the urban poor) search for employment and decent affordable housing in American cities. Necessary provisions must be included in the national urban policy to address their interests.

7. The federal government must adopt a strong anti-displacement policy. Displacement must be considered as a negative impact to be guarded against when designing and administering federal policies and programs. Urban policy initiatives must be amended to address displacement and to eliminate its potential for contributing to the problems of the urban poor.

8. The federal government must monitor the impacts of urban reinvestment on urban employment. Programs must be amended and developed that will enable the poor and unemployed to adjust to the changing dynamics and employment opportunities of today's urban economies.

9. Specific proposals (omitted from the national urban policy) targeted at meeting the housing needs of the poor and minority residents of cities must be included in that policy and as a federal commitment to ensure that all American families have the opportunity to live in decent housing at affordable prices must also be maintained.

10. The Administration should re-dedicate and increase efforts to achieve a comprehensive urban policy that will address the many problems of the urban life, rather than acquiescing in the current piecemeal approach.

AFFIRMATIVE ACTION

11. The Bakke decision cannot be allowed to be used as a justification for any diminution in affirmative action efforts, either on the part of government, educational and other institutions, and private industry. This will require that such efforts be monitored

closely and that where necessary, appropriate remedies be sought.

12. The Bakke decision cannot be allowed to be used as a justification for the reduction of a minority presence in public and private institutions. These institutions must be carefully monitored to determine that the letter and spirit of affirmative action policies are carried out at every departmental level.

13. The Attorney General should delegate to the Solicitor of Labor the authority, by his own attorneys, to seek court enforcement of the obligations imposed upon government contractors under Executive Order 11246, as amended.

14. There should be immediate enactment of legislation and/or administrative rules and regulations which will provide a generalized standard authorizing goals and timetables, and such other color-conscious relief applicable to all public and private institutions which have not been found by a court of competent jurisdiction to be in violation of the law. Such legislation and/or procedure could be modeled after and applied on the same basis as existing rules and regulations under Executive Order 11246, as amended, and would have the resultant impact of clarifying and expanding civil rights laws.

15. In the alternative, or in conjunction with the recommendation above, HEW and other agencies should require all grant recipients to file an acceptable affirmative action plan.

16. The Humphrey-Hawkins Act should be amended, or a separate statute passed to provide for "Affirmative Action Adjustment Assistance" to those employing entities which, when faced with last hired/first fired layoffs adversely affecting minorities, voluntarily make adjustments in their seniority systems so that minorities would not be adversely affected. Such an Affirmative Action Adjustment Assistance Act could be modeled after the Trade Adjustment Assistance Act currently administered by the Department of Labor which protects both employers and workers adversely affected by tariffs.

17. Funds should be provided to assist those schools which continue to support and operate minority and disadvantaged programs where such programs meet standards enunciated by HEW. This may require additional legislation both to set guidelines for the standards as well as to supply funds.

EDUCATION

18. A moratorium should be placed on all testing programs which do not equitably delineate and evaluate the roles, responsibilities and the performances of administrators and teachers as well as students.

19. The President should appoint a blue ribbon panel to assess and make public the aggregate effect of state minimum competency testing programs specifically as such tests impact black students. This panel should also be empowered to determine a more equitable and effective approach to strengthening instruction in our public school systems.

20. A long-term and consistent program of federal support for historically black colleges should be developed which takes into account the nature of the economically depressed student body which attends such schools.

21. At the college level, student aid programs should be revised so that more funds are made available as grants, scholarships, fellowships and work-study opportunities, rather than as loans. The increase in such funds greatly benefit poor students and would widen their choices of colleges and universities.

22. A policy should be developed to provide assistance for adult learners. Such a policy should call for financial need to be evaluated independently of standard student assistance forms and family income. In determining such financial assistance special consideration should be given to black and Hispanic adult learners.

23. Community colleges can perform a crucial function in increasing access to post-secondary experiences for the urban poor (white ethnics, blacks, Hispanics) who would otherwise not be able to continue beyond the high school level. Federal funding to enrich curricula, improve instructional levels and increase articulation between two-and-four-year institutions is urgently needed.

24. The federal government should not relent in its insistence that institutions of higher learning receiving federal monies, adopt and implement effective affirmative action plans for both faculty and students. In the absence of such plans, federal funds should be withdrawn from the institution.

25. The federal government should develop an innovative approach through the Office of Education's Urban High School Task Force to focus attention on developing a definition of and a measurement for 'Employability Skills' which are transferable in the marketplace in terms of both in-school preparation and on-the-job-training programs.

HEALTH AND SOCIAL WELFARE

26. The President should acknowledge his responsibility to the poor by asserting strong leadership in their behalf for a welfare reform program which will guarantee a decent standard of living to every individual and family through combination of real job opportunities and adequate health and welfare benefits.

Any bill found acceptable to the Administration should center on expanded job opportunities and liberalized cash benefits package for individuals and families.

27. HEW should take special steps to insure that all victims of the current economic slump are informed about and receive assistance in obtaining the financial, health, education and employment benefits to which they are entitled.

28. The Congress should enact into law a National Health Insurance Plan which has universal and mandatory coverage, comprehensive benefits and assures equal access to quality health care to all Americans, regardless of race, economic condition or place of residence.

29. The President and the Congress should insure that the new budget includes sufficient funds to support special initiatives, community education and outreach, black medical schools minority students, inner-city hospitals, community health and mental health programs, and other appropriate efforts which seek to close the gap between the health status of whites and non-whites.

30. The federal government should move to develop family support services targeted to and indigenous to communities served, and whose role is oriented to prevention rather than treatment of social and inter-personal problems.

YOUTH

31. A cabinet level Presidential Youth Commission should be created with a mandate to formulate policy and programs and foster adherence to national objectives for youth.

32. Congress should authorize a continuing research program to assemble data needed for planning national education and work incentives for youth. It should also authorize the investigation by permanent Congressional subcommittees, of questions bearing on enhancing youth development.

32. A national youth development system should be established to provide non-traditional developmental opportunities to all youth between the ages of 14 and 21.

POLITICAL PARTICIPATION

33. A system of universal registration for Presidential and Congressional elections that would enable a citizen to vote on Election Day by appearing at the polls with proper identification, should be adopted. The system would bring into the electoral process many individuals now excluded because of cumbersome registration procedures.

34. States should be encouraged to use Election Day registrations for state and local elections as well.●

## PRESERVING FREE ENTERPRISE

### HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. ABDNOR. Mr. Speaker, South Dakota high school seniors recently had the opportunity to express their views and concern for the preservation of the free enterprise system in an essay contest sponsored by the Karl E. Mundt Historical and Education Foundation and the Greater South Dakota Chamber of Commerce. In her prize-winning essay, Suzanne Schaub of Roncalli High School in Aberdeen, S. Dak., called the system "an absolute necessity." I commend it to the attention of my colleagues:

FREE ENTERPRISE: AN ABSOLUTE NECESSITY

Free enterprise is an essential feaure of capitalism, the system of economic organization and control, existing in the United States today. As the "heart of capitalism", free enterprise implies the constant search for greater opportunities. It allows for the satisfaction of human desires, the production of useful goods, and the opportunity for profit.

Even though businesses must comply with certain governmental restrictions regarding matters, such as union members, zoning laws, standards of education, experience, and skill, there is far more freedom to select an enterprise than in any other known system. In this system of business, decisions are made by private persons with the views of themselves or their stockholders in mind. It does not involve government officials who are not interested in the success of any one company. The majority of United States citizens do not wish to be subjected to a communistic or socialistic power. Such an influence would deflate the individual's incentive to compete and to obtain profits.

Competition grants to the individual, a freedom of choice and a vast variety of products to choose from. As a result of this competition among business enterprises, the production of goods and quality of services is constantly being improved. Competing businesses strive to surpass each other's sales. Frequently a plateau is reached in their existing situation, and they are challenged to produce new methods or products. Through free enterprise, people are supplied with the products and services which they want and need.

The driving force behind free enterprise is that of the profit motive. Profit is a method of organizing economic activity. Human qualities, such as creativeness, judgment, stamina, foresight, and inspiration are energized as the individual labors to achieve a profit. When profit is involved, risky, uncertain, innovative understakings may be stimulated. Profits are used in numerous ways. As a result of profits, re-investment in businesses which include new facilities, equipment and employees, is possible. By means of the individual's net income, taxes are paid to the government. Charities are funded, and dividends are distributed by the way of profits. Many use their gains to hold their businesses as cash reserves in case of a future slowdown. Unemployment benefits are supplied through profits, as well as money for research.

Another advantage of the free enterprise system is that of being allowed to possess private property. All man's needs request the use of property for satisfaction. When men

use their minds productively through their right to property, they take responsibility and enjoy success for doing so. In his essay, "The Moral Necessity of Property", Walter J. Wessels commented, "With the pluralism private property allows, men are free to test the vitality of different lifestyles and to adopt whatever mixture seems appropriate to them."

Freedom of enterprise, "the backbone of society", stresses economic individualism. Each man has the liberty to pursue his self-interests. In this society, a man does not necessarily have to follow in his father's footsteps. He has the right to exercise choice in selecting an occupation. In another essay, by David Kelley, the following was stated, "If man's self-esteem derives from his productiveness, it will best be served by the system most conducive to the latter. Our standards lead us, by the several paths we have traced, to capitalism, the political economy of freedom."

Free enterprise may not be the "perfect" economic system, but it does maximize productivity and permit maximum individual self-direction and self determination. As one of this society's most valuable freedoms, the system of free enterprise must be *jealously* guarded. It is the system of a society which places its interests and values in its people. The people of this nation must make their goal to preserve and encourage this precious system of free enterprise.●

## THE PRICE WE PAY FOR WILDERNESS

### HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. YOUNG of Alaska. Mr. Speaker, we have been told many times of the value of wilderness areas and that we must set such areas aside for future generations. Further, we have been informed that designating wilderness areas is like putting money in the bank; the resources will be saved until we have some use for them.

Unfortunately, those who would mandate massive wilderness areas are ignoring two important facts: Some of the resources are needed now; and proper management, as opposed to preservation, will allow us to use those resources and still insure that some are left for future generations.

On March 17, an article appeared in the Washington Star that described the price we are paying for RARE II, d–2, and other wilderness proposals. I think that we should all look carefully at the wilderness question and ask if we want preservation or proper management.

I ask that the following article be printed in the RECORD.

The article follows:

[From the Washington Star, Mar. 17, 1979]

WILDERNESS RESERVES AFFECT PRICE OF HOME

(By Michael Sumichrast)

Congress currently is debating a question that faces every industrialized society: To what extent does the population have a right to natural resources?

In this instance, the issue concerns timber. Should it be left to the beavers? Or should the people have the same access to it?

In a recent New York Times poll, 43 percent of those interviewed erroneously believed that cars can be driven and timber cut in a national wilderness area. Once land is designated as "wilderness," there is no place to hook up a camper, and there are no roads to drive it on.

Last year, the Carter administration placed 116 million acres in Alaska in the wilderness deep freeze for up to three years and permanently set aside 56 million more in "national monuments." Then Agriculture Secretary Robert Bergland this year proposed an additional 15 million acres for wilderness and asked for "further study" on 11 million acres more.

Now legislation is being considered that will set the management direction of more than 200 million acres of public lands. One bill deals with 140 million acres in Alaska, with 85 million acres slated for wilderness withdrawal. The second would decide the management direction—wilderness or multiple use—for 62 million acres in 38 states and Puerto Rico.

The Alaska bill alone affects a land area nearly 1½ times the size of California. It takes from possible use 40 million acres with a high potential of oil and natural gas, withdraws 70 percent of the land rated highly favorable for mineral discovery by the Bureau of Mines and closes off the oil and gas-rich Arctic Wildlife Refuge area from exploration.

It also takes 6.5 million acres of the Tongass National Forest in southeastern Alaska out of timber production, leaving a number of loggers without jobs and creating havoc in general for the lumber industry. And lumber is a primary ingredient of housing.

Reflecting the reduced availability of timberland, the stumpage prices for timber the government sells from national forests jumped 20 to 45 percent last year, depending on the species of wood. And further increases are predicted this year.

This seems absurd when you consider that the United States, with enormous timber reserves, allows more timber to decay than is harvested.

Lumber accounts for more than 30 percent of the hard construction costs of a typical house. It is used extensively because it is cheap in comparison to steel, aluminum or concrete. And it is one reason that housing is more accessible in this country than it is in countries where lumber is less readily available.

Because of increased stumpage prices, softwood lumber production by U.S. manufacturers has changed little in the last 10 years. At the same time, however, lumber imports from Canada have doubled to 28 percent of softwood consumption here.

It's difficult to see how this helps put a dent in the $30 billion deficit in our balance of payments. It doesn't of course, but it will add anywhere between $500 and $1,000 to the cost of an average new house. It also will add to the cost of rehabilitations, remodeling even a picket fence.

You'll see what I mean the next time you go to your neighborhood lumber yard or hardware store. Ask for a price on 2-by-4 studs, or better yet, a simple tomato stick. You'll be staggered.

But not as much as home builders, who buy lumber, plywood and millwork by the truckload.●

## A VISIT WITH ROG MORTON

### HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. BAUMAN. Mr. Speaker, many of us still recall with fond memories a gentle man from the Eastern Shore of Maryland who, for 16 years, served his Nation as a Congressman, party leader, and Cabinet member under two administrations. This man, Rog Morton, earned the praise, admiration, and affection of those with whom he worked.

Today, Rog has returned to the Eastern Shore, but not to sit in idle retirement. In typical Rog Morton fashion, he has taken up a new profession, this time as boat builder. Hard by the Wye River, on a large stretch of tranquil marshland, Rog now lives and works. The Washington Post magazine recently featured Rog's new life in an article, and at this point I insert it in the RECORD for the benefit of his many friends. For those who might wish to communicate with Rog, his address is Route 1, Box 546, Easton, Md. 21601.

SUNSET AT PRESQU'ILE

(By George C. Wilson)

Rogers Clark Ballard Morton is telling his visitor how good it feels to be back "home" on the Eastern Shore. This time for good. We are sitting in his office stuffed with mementos of two of his many lives—the old one of politician and the new one of boat builder. The office itself, inside a converted outbuilding on the farm, is down-country plain, especially compared to the plush ones Morton knew as millionaire businessman, as Maryland congressman, as Republican national chairman and as cabinet secretary.

The window alongside Morton's desk looks out over a tawny marsh easing its way down a slope to the edge of the magnificent East Wye River. The river's embrace of the land at this spot is almost total, prompting some Frenchman back in Colonial days to name the area "presqu'ile," that is, "almost-an-island."

"I used to get over here some part of every weekend, just to get away from that rat race in Washington," Morton explains in looking back at the life of official Washington when he commuted to work from another home in Alexandria.

"You never could get out of the rat race as long as you were in Washington. You couldn't just go home and leave it. You went home with a briefcase as big as that box, full of junk," he continues, in a wave at a box the size of a footlocker at the end of a GI's bunk. "And when you weren't going through the papers you had brought home, you were going to some stupid thing that you didn't want to go to."

The typical government executive—whether in Congress or the Executive Branch—begins his day seeing one spear-carrier after another, subordinates whose weapons are stuffed briefcases. The hours that follow are crammed with papers to read and sign; "must" appointments to go to; "must" people to see and impress; personnel questions large and small to decide—questions that range from raises for the staff to whether the next trip should be routed through the home area of an influential representative or senator; and policy to make. Time slips away. Ultimately the executive must sign many of the papers without reading them or else take them home to read.

"Oh, you can't have been involved in Washington to the extent I was and not miss anything," hastily adds Morton, sensing through his ever-extended antennae that his comments about Washington might sound too harsh to his old friends there. "I miss some of the associations. I had a tremendous lot of friends over there."

That he did. Nobody ever hated Rog Morton. People got angry at Rog Morton and frustrated with him. But nobody, certainly, could hate a man who loped along through life, laughing at himself and everybody else along the way. He inherited enough money through the family's Ballard & Ballard flour mill in Louisville, Ky., to isolate himself from the masses. But he genuinely loved to get down among them rather than stay high

up in some executive suite. He started out in one, but soon left.

After Army service in World War II, Morton rose to the top of the Ballard & Ballard hierarchy, becoming the firm's president in 1947. The firm merged with Pillsbury in 1951, making it easier for Morton to do something on his own. He itched to leave Louisville, partly because his older brother, Thruston, eclipsed him there. And he dreamed of the Chesapeake Bay, the waters the Morton brothers had explored in the family yacht.

"I love the water and I love to farm," explain Morton in giving two of the reasons he left the Louisville establishment to start afresh on the Eastern Shore as a stranger. Then he gives the third one—the little brother problem.

"I was sort of in his shadow out there," Morton acknowledges in a reference to Thruston, who started his own long service in Washington by being elected to the House. "In 1952, there was a big move for me to run for Congress and take his seat" when Thruston left the House to become assistant secretary of state for congressional relations. "They even suggested just putting my last name on the ballot so everybody would think it was Thurston. That irritated the hell out of me. So I came over here with the idea of farming." That was in 1953.

Morton found the beautiful farm he lives on today. It is far enough west of U.S. 50 and north of Easton, Md., to escape the dubious blessing of modernization of the Eastern Shore. The locals told him that the Colonial, white-frame farmhouse he bought overlooking the Wye was once the home of Francis Scott Key, author of "The Star Spangled Banner." Leasing other farms and a feed lot, Morton was soon raising crops and cattle on some 1,400 acres around Presqu'ile.

The broad-shouldered, 6-foot 8-inch Kentuckian stood out as plainly as Bloody Point Light as he moved around the Eastern Shore. He had brought his own store of political stories with him from Louisville and learned many more from the Eastern Shore folk as he clanked around in farm boots. Farmers, crabbers, hunters, housewives—as well as the Eastern Shore establishment—all got to know Rog Morton. His humor was warm. "We call this place Abercrombie and Cherry's," he once said of Cherry's surplus store in Eastern when the goods and prices got fancy. Politicians sought him out for counsel. He gave it freely, then finally succumbed himself to Potomac fever, telling himself he could help the Bay if he got into the House of Representatives.

"I had only looked at Washington from the outside, through my brother," Morton recalls. "I wanted to get inside and see what went on. I also had really got hipped on this bay, this shore, these marshes. I had had biological training and knew what could be done to help the Bay. I wanted to get sewers in." Morton's biological studies were part of the medical schooling he took before deciding not to follow his father's profession of physician.

Enough voters in Maryland's First Congressional District, which traditionally elects Democrats, forgave Morton in 1962 for being a Republican that he went to Washington the following January as their representative. They seemed to think he did a good job for them there, for they reelected him to four additional terms.

"Oh, I didn't set the woods on fire," said Morton of those first Washington years, "but I did learn you could get a hell of a lot done if you didn't worry about who was going to get the credit." (He lists some of the things he helped accomplish for the Bay: those sewers; a clean-up of Bethlehem Steel's Sparrows Point operation at the head of the Bay; establishment of Assateague barrier island as a national park; a model of the Chesapeake Bay for the Army Corps of Engineers so communities could help preserve the Bay by understanding it better.) "I never played it partisan when dealing with the people in my district. I think I gave the people a sense of confidence that they were well represented in Washington. I never lost my doggone sense of humor. And I have a perfectly clear conscience. I know I was a congressman never on the take."

Serving in the House failed to break Morton's Potomac fever. He went from being a representative to chairman of the Republican National Committee to secretary of the interior to secretary of commerce to campaign manager for former President Ford. He sat over in the Interior Department watching with consternation as Richard Nixon, whom he helped nominate at the 1968 Republican National Convention in Miami, drowned in the Watergate scandal. Morton by this time had bought a house in Alexandria and, for a while, had a place near the Cannon Office Building on Capitol Hill. Presqu'ile became a weekend recuperative stop, rather than a home, in those Washington years.

By 1974, when he was secretary of interior—"I loved Interior"—and was soon to become secretary of commerce against his wishes, Morton was pondering how he could get back to Presqu'ile full time. He still wanted to do something productive there rather than just sit in front of a sinking fire. Farming was out. He had disposed of most of his holdings, retaining only 160 acres around the main house on the Wye. Building boats. Now that would be fun. He had always loved boats and thought he spied a niche in the market which a small yard could fill.

Why not, Morton mused to himself, build a boat that would be comfortable but a miser on fuel in this day of skyrocketing oil prices? Give a family a boat that could glide along the Inland Waterway at 8 or 10 knots while burning only three or four gallons an hour, instead of the 15 to 30 gallons gulped by the luxury powerboats that race along at 20 knots. A small boatyard could even order the fiberglass hulls from one of the companies that specialized in molding them; then build the rest of the craft from the skin inward. Morton tried the idea out on Peter Hersloff, a neighboring stockbroker whose family had built boats on Long Island. Hersloff, like Morton, yearned to try his hand at building boats.

We leave Morton's office at the farm to what came of that dreaming and brainstorming. The boatyard takes only a corner of Morton's Presqu'ile farm. But the boats being built there by Morton-Hersloff are impressive. They have the high bow of the Maine lobstermen, yet are finished off inside with lovely woodwork—some of which Morton used to do himself. The buyer tells Morton what he wants in his boat, and the yard does the rest for the price of labor, materials plus a $12,000 fee.

"We have to hold your hand a little bit," Morton explains as we watch two workmen in the barn converted into a boat shed. "Some of the things people say they want in their boats are just not practical for the water." Morton-Hersloff boats are not cheap, ranging from $40,000 to $120,000, but are competitive with factory-made boats of the same size.

Leaving the shed, we walk down the dirt road toward the pond in the marsh to see if ducks are swimming there. Morton had caught sight of them sliding out of the sky toward the pond earlier in the day. Moonie (for Moonshine), a black Labrador retriever, tags along. Morton is still tall, but looks amazingly thin in comparison to his Washington days. He developed cancer of the prostrate years ago. Doctors thought they had contained it, though friends now say the cancer is spreading. Morton does not complain about his illness specifically, just the way it limits him. It has left his arms too weak to do much carpentry. But it is enough to spend the twilight back in Presqu'ile. Thruston kids him in phone calls from Louisville about becoming a boatbuilder so late in life.

"Peter [Hersloff] is president. I'm vice president and treasurer. The business is built around a personality. It's not the kind of business you can pick up and sell. IBM don't want it," Morton acknowledges with a grin. The yard is barely in the black.

"But in my condition," continues the 64-year-old Morton in an oblique reference to his cancer, building boats "provides the opportunity to work within walking distance of the house, gives me good exercise, and provides a base for me to see people so I'm not out here totally isolated." (Morton's two children, David C. Morton, a Brooklyn architect, and Anne McCance of Alexandria, are now only visitors to the farm. Morton's wife of 40 years, Anne Jones, lives with him at Presqu'ile, though the Mortons usually escape the bitterest part of the Eastern Shore winter by repairing to another home in the Florida keys.) Best of all, the boatbuilding business keeps him close to the Bay and marshes he has found restorative for more that a quarter of a century now.

"I tell people my initials C. B. stand for Chesapeake Bay. I'm relaxed, retired, having a good time building boats, trying to do well. I want nothing. That's my story."●

## GOOD WORK IN YEMEN

### HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. FINDLEY. Mr. Speaker, I call to the attention of my colleagues the recently agreed to cease-fire in Yemen and the agreement of both North and South case of South Yemen, I hope that this means total withdrawal from North Yemeni territory. The cease-fire is the result of the diplomatic efforts of the Arab League, inspired by Saudi Arabia, Kuwait, Syria, and Iraq. These nations informed South Yemen in no uncertain terms that they would not tolerate its aggression against North Yemen. It is also the result of prompt action by the Carter administration in countering the Soviet threat in Yemen.

On March 9, 1979, President Carter notified Congress that he intended to expedite delivery of approximately $400 million in military equipment to North Yemen. He took this decision on the basis of U.S. national security interests. Normal procedures to transfer this U.S. equipment to North Yemen had already begun. Informal notification to that effect reached Congress on February 16. The administration decided, however, to waive the usual congressional formal notification period and quicken the pace of the transfers after South Yemen, with Soviet assistance, attacked North Yemen on February 23.

I supported the President's decision for reasons I shall elaborate later. And despite the press attention to congressional opposition to this expedited transfer, my views were those of the majority of Members, Democrat and Republican, present at the March 12 hearing on the North Yemen situation before the Subcommittee on Europe and the Middle East, Committee on Foreign Affairs.

I supported this decision for the following reasons:

North Yemen is a nation friendly to the United States. It was under direct attack by South Yemen, aided by Soviet, Cuban, and East German military advisors and Soviet equipment. Moreover, North Yemen has very close ties to Saudi Arabia. There are more than 1 million Yemeni workers in Saudi Arabia. Turmoil in their own country could well provoke instability across the border in Saudi Arabia. A threat to North Yemen, therefore, poses a threat to Saudi Arabia. The United States has enormous interests at stake in the entire region and particularly in Saudi Arabia because of its oil, its diplomatic clout in the Middle East, and its geostrategic location.

The United States cannot continue to countenance Soviet aggression without lifting a finger to stop it. Ethiopia, Afghanistan, and Cambodia are states where Soviet inspired violence has installed client regimes. The Soviet Union is directly involved in this South Yemeni attack on the North.

A year ago, a coup in Aden, aided by Cuban-piloted Migs brought to power a regime more favorable than the last to the Soviet Union. Since that time, the Soviet Union increased its shipment of military equipment to South Yemen significantly. Notably, there was a sharp increase in shipments of Soviet military equipment to Aden in February 1979 just prior to the South Yemeni attack on the North Yemens. Soviet and Cuban advisers have been with South Yemeni forces fighting near the front. Despite U.S. requests to the Soviet Union to facilitate a cease-fire, the Soviet Union was not responsive or helpful.

The United States must reverse the perception of U.S. weaknesses and failure in the region, or lose its credibility. Short comings in U.S. intelligence gathering and policymaking contributed to the "loss" of Iran. The U.S. vacillated about whether to send a carrier to the Persian Gulf in December, ordering the mission, then countermanding the order. We responded meekly to Soviet warnings not to interfere in Iran. U.S. officials conceded "privately" to the press that we could do little to stem the course of events in Iran. This perception of U.S. weakness and indecision complicated the Egyptian-Israeli peace process and gave Saudi Arabia the impression that the United States would do little to help it in a similar situation. It is a partial explanation for Saudi Arabia's own reticence in supporting U.S. interests.

There is no doubt that the future of a strategic piece of real estate is in question. The Soviet Union now has one client state—Ethiopia on the west littoral of the Red Sea. If North as well as South Yemen were in its camp, it would control the other side as well. It could thus potentially close the Bab el-Mandeb Straights, jeopardizing the free transit of the Red Sea and access to the Suez Canal and the Gulf of Elat. This would indeed be a grave situation.

There are concerns about transferring this military equipment which includes F–5's, tanks, and armored personnel carriers to North Yemen, a poor and underdeveloped country. At this point, it is not clear who will pilot the planes. It could well be that non-Yemenis may have this job. But the greater concern is the overall perception of U.S. resolve to defend its interests and those of friendly nations in this region in the face of open and blatant Soviet aggression.

I sincerely hope that this initiative undertaken by the Carter administration is not an aberration from its previous policies of weakness and indecision in dealing with dicey situations. I hope, for the sake of this country, that it marks a new determination and commitment to assure U.S. interests. This commitment must be multifaceted and include diplomatic and economic initiatives and improved coordination with our allies in Europe and the Far East to protect our mutual interests in this region.●

## FISHERIES INDUSTRY IN ALASKA

### HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. YOUNG of Alaska. Mr. Speaker, I would like to take this opportunity to call attention to a remarkable new book about the fishing communities of western Alaska.

"Highliners," by William B. McCloskey, Jr., is a highly compelling account of the fisheries industry in my State, by a man who knows his subject well. Mr. McCloskey spent several seasons as a fisherman in the wild waters of the far north.

The fisheries industry is a vital component of the Alaskan economy, ranking second only to the petroleum industry in economic value to the State.

That the fisheries industry should be so important to Alaska seems almost inevitable. After all, two-thirds of the coast-line of the entire Nation is found in Alaska. And 550,000 square miles of nutrient-rich continental shelves—most of the world's seafoods are generated on such shelves, by the way—provide the habitat for the vast diversity of commercial species taken by Alaska's fishermen. For comparison, there are 300,000 square miles of shelves off the coasts of the rest of the States of the Union.

Most Americans are probably aware that Alaska has a thriving shellfish industry. Alaskan crab is in ever-increasing demand around the country. But I wonder how many people realize that crabbing is just one element in our State's highly diverse fisheries industry. In fact, Alaska's fishermen harvest for market more major species than all other mainline American fisheries combined.

Alaska also boasts the second and third largest fishing ports in the country in terms of landed values. Those ports are respectively, Kodiak and Dutch Harbor.

But there is more to the fisheries industry than just numbers, just economic statistics. Commercial fishing in Alaska is a way of life, a hard, demanding, dangerous, and rewarding way of life pursued by men and women of independent spirit.

It is always the human story that engages our imaginations, and the special magic of Mr. McCloskey's book "The Highliners," is that it tells the human story of the Alaska fisheries industry so well. The following is an excerpt from the introduction to Mr. McCloskey's book:

THE HIGHLINERS

(By William B. McCloskey, Jr.)

The American fisherman, both in Alaska and on the other coasts, is a different creature than the man on the Japanese and Russian fishing ships, despite what they might share of the fishing experience. The American owns his own boat or works for a crew share directly under the man who does; the Japanese is a salaried employee for a huge conglomerate; the Russian an employee of the state. The American works on a boat ranging in size from a 30-odd-foot purse seiner to a 110-foot crabber, as part of a deck crew that seldom exceeds five. The smallest Japanese vessel is a 90-foot salmon gillnetter with a crew of a dozen, the largest a 650-foot factory ship with a work force of more than 500. Both the American and foreign vessels often fish around the clock, but the foreign crews with their greater numbers do it in shifts. The Americans work gear as individuals and as seamen, while the foreign crewmen are often as specialized in their duties as a standard millhand.

Thus the concept of an American fishing "industry" is loose at best, comprising the freelance interests of many boatmen and processors. A fishery of this sort has no collective resource beyond the biological research of government agencies, and no coordinated battle plan. Compare this to Japan, where the government supports two colleges and more than sixty high schools of fishing, and where large conglomerates such as Taiyo, Nippon Suison, and Marubeni control and operate in a single package their boats, seafood plants, research teams, and marketing facilities. These fishing conglomerates work so closely with the cabinet-level Japan Fisheries Agency that the one seems an extension of the other. With such an interlock of Japanese capital and administration, support is always available to develop the most modern fishing ships and equipment, and the risks inherent in a single fishery are buffered by options on a corporate scale.

The Soviet fishing fleets, as might be imagined, are financed and controlled entirely by the government. The Soviet Ministry of Fisheries runs the show by regions, allotting budgets and projecting requirements. The ships (many more modern even than those of the Japanese) have been built under five-year and seven-year plans, with a concious effort of achieving a strong Soviet fishing fleet. As soon as Soviet ships entered the fisheries off the U.S. coasts, they began to abuse the tacit fishing privilege by equipping "trawlers" with electronic surveillance equipment, and they still do. The Soviet multi-year plan for fishing ships began before the Cuban missile crisis of October 1962 had revealed a Soviet weakness in seapower. The plans locked after this event into the larger strategic goal of building the Soviet Union into the maritime power that it is today of military, merchant and fishing ships.

In the United States, the men who fish the sea are still of a type other callings have rendered tame and dependent. Even with all the power winches and hydraulic gurdies a fishing boat now can carry, the work is heavier

and longer than most men can bear. It also requires wit and intelligence along with seasense, since as seafood stocks diminish more skill is required to seek them out. American fishing boats remain small, both against the foreign fishing operations and against the sea itself. In New England, the fleet is old and demoralized by the massive foreign overfishing of Georges Bank and adjacent grounds. The abundant fisheries for shrimp in the Gulf of Mexico, tuna off California, and the menhaden off the Carolinas and Virginia are vital each in its way, but they fish only a single species, in relatively placid waters.

This leaves the newly aggressive and varied fishery that centers in Kodiak and extends via Dutch Harbor into the Bering Sea. The men who work it lead lives closer to death than most Americans. As with fishermen in all northern waters, they endure as a matter of course the drench and wind and cold. On violently unstable decks which require enormous energy merely to keep balance, they handle machinery that by a slip can eat relentlessly an arm or leg, with nets that can sweep them over the side into water too cold for survival, using hooks and knives that can slice to the bone through layers of clothing. They harvest more major species than all the other mainline American fisheries combined, in waters more treacherous than even the North Atlantic. Unique among American fishermen, they see the present as a springboard rather than a roadblock.

You who mourn the lost self-confidence and self-sufficiency of the American frontier, look here.●

## INFLATED WAGE RATES PROBED

### HON. TOM HAGEDORN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. HAGEDORN. Mr. Speaker, I was disturbed to receive a bulletin mailed to my office from the Building and Construction Trades Department of the AFL-CIO that in effect attacked the integrity of the U.S. Congress and the General Accounting Office, the investigative arm of the Congress.

A copy of vol. 1, No. 1, of "The Builders" has been sent to those on the Building and Construction Trades Department mailing list. I certainly am not a member of the department or the parent labor organization, but I was glad to receive this mailing so I could know first-hand just how the representatives of certain construction unions view the legislative attempts being made to repeal the Davis-Bacon Act.

One of the principal reasons why our Federal budget has been increasing at such tremendous rates over the past few years is the continued funding of special interest legislation that may have been justified at one time, but has since become outdated and unnecessary. The Davis-Bacon Act is an excellent example of this type of anachronistic legislation. When it was first passed in 1931 during the Depression, it was felt to be needed to prevent low-cost itinerant contractors from undercutting local contractors on Federal building projects by requiring the payment of prevailing area wages. Today, the provisions of the act apply to some 80 related statutes which involve federally-assisted construction projects.

What happens more often than not in compiling the prevailing wage rate is that the Department of Labor uses the negotiated wage scale as the prevailing wage scale. Instead of letting the free market forces determine what wages are paid for construction projects, the Davis-Bacon Act forces higher than necessary wages to be paid on many projects and they are paid by the American taxpayer directly through tax dollars.

The Department of Labor has become a protector of the union wage scale over the years. It seems obvious that a true prevailing wage for each construction trade should take into account the wages actually being paid to all workers of that craft on truly similar projects in the immediate area. But one of the tools the Department uses to determine the prevailing wage is the 30-percent rule. Any wage rate received by at least 30 percent of the workers in a particular classification becomes the prevailing wage. The effect is that, in any area where unions have organized 30 percent or more of the workers, the negotiated wage scale will almost automatically be adopted.

Since this is the case, it is no wonder why unions do not want to protect what has become special interest legislation in the highest degree. Their wages on Federal construction projects will not be reduced and nonunion workers will receive higher wages for Federal projects and be more in favor of "union protected" wages.

I have introduced legislation designed to repeal the Davis-Bacon Act. I have not done this because I am antiunion. In fact, in my comments to my colleagues, I have been very careful not to mention unions at all because I wanted Members to support this repeal effort because of the need to cut unnecessary Government spending and to reduce inflationary pressures. However, I cannot allow this bulletin to go by unnoticed.

What disturbs me the most about this bulletin is not the obvious union support of the prevailing wage concept. I am upset over the comments made in it about the integrity of the Congress and the General Accounting Office. This bulletin stated that the GAO draft report recommending repeal of the Davis-Bacon Act was "phony." I believe that it takes unmitigated gall for a special interest, biased organization to call a report by the GAO "phony." The GAO has spent a great deal of time, energy, effort, and money in the investigation of the Davis-Bacon Act. The officials and staff members who conducted the tremendous amount of work required in such an investigation did not go into the GAO project with any preconceived notions about what should be done. They conducted their research and studied the findings. Then, and only then, did they come to the decision that the Congress should repeal the Davis-Bacon Act. Immediately, the unions have jumped on the draft report as being "phony" and a "funny study." Well, if this is a funny study to the construction unions, I want them to know that the American taxpayers who must pay for their extra wages are definitely not laughing.

One further point made in the bulletin also infuriates me. The Builders flyer stated that Davis-Bacon was as relevant now as ever because as late as 1973, the State of Minnesota passed its own version of a Davis-Bacon law to apply to State construction projects. This shows that the unions did not do their homework because the prevailing wage program in the State of Minnesota has come under investigation by the Federal Bureau of Investigation, the Office of the Governor, the Minnesota Bureau of Criminal Apprehension, the Ramsey County attorney, and the Legislative Audit Commission because of allegations that the Minnesota Department of Labor and Industry set artificially high wage rates based on fraudulently submitted wage rates on forged and inaccurate documents.

I was a member of the State legislature when the State of Minnesota passed its version of the Davis-Bacon Act. I opposed it then and I regret that one of the reasons I did has now become a reality. With union support of such State laws and by citing the "relevancy" of the Minnesota law, this shows that they are condoning fraud and supporting a law that has resulted in wage rates that are undergoing a Federal investigation at the same time they are voicing their support.

There is no way that I can get this information into the hands of all those who have received a copy of this publication of the Building and Construction Trades Department. However, I wanted to inform my colleagues of the tactics that are being taken by this special interest group to send out propaganda in support of their weak position. I want to share with my colleagues a copy of two newspaper articles that deal with the investigation in the State of Minnesota so they can better understand the need to rid our economy of this type of law.

The articles follow:

[From the Minneapolis Star, Feb. 23, 1979]

INFLATED WAGE RATES BY STATE UNIT PROBED

(By Jim Shoop and Dave Anderson)

Allegations that the Minnesota Department of Labor and Industry has set artificially high wage rates in state construction projects are under investigation by state and federal officials.

What this could mean, according to two state legislators, is that the state, by paying higher wages without proper documentation, has spent considerably more than necessary on state construction projects.

Files that allegedly contain hundreds of forged and inaccurate wage rate documents have been impounded in the labor commissioner's office at the request of Gov. Al Quie and the two state legislators.

A number of federal and state agencies have begun preliminary investigations into the charges, including the FBI, the Minnesota Bureau of Criminal Apprehension, the Ramsey County attorney, Quie's office and the Legislative Audit Commission.

Associated Builders and Contractors Inc., a group of primarily non-union rural contractors, has been quietly fighting with the labor department over the rates for the last three years. Under the law, the rates—called the "prevailing wage"—are used to determine

the minimum amount contractors must pay workers on state-financed projects.

The issue surfaced publicly for the first time last week when the two legislators—Reps. Kenneth McDonald, IR-Watertown, and Tom Rees, IR-Elko—asked the audit commission to look into the situation.

Jerome Lee, a field investigator for the Labor and Industry Department who collects information used in setting the wage rates, agrees with the contractors that the AFL-CIO wage rates established for many rural counties are not the true prevailing wages. Lee was hired by the labor department in 1976. He had transferred from the Department of Corrections after scoring highest on a Civil Service test.

Lee said it soon became obvious that the division officials, most of whom were former union business agents, took very good care of their friends. Lee told The Star he thinks the information, some of which appears on forged documents, was collected and put into the files to back up the decision to use AFL–CIO rates in counties that had not been surveyed.

Lee said that when he first met former state labor commissioner Elmer I. "Bud" Malone, the commissioner told him "the most important thing, Jerry, is to remember who our friends are."

Later, said Lee, Leo Young, head of the prevailing wage division, told him "our friends, of course, are the Democrats because they put us here, and the unions because they put them in office."

Lee and spokesmen for the contractors point to a number of questionable practices adopted by the prevailing wage division:

The division files contain a large number of "payment evidence" forms listing AFL-CIO rates for contractors who do not pay those wages, according to interviews and affidavits signed by 17 contractors.

Many of the forms contain false information about construction projects and frequently exaggerate the number of workers hired on the projects.

Many of the forms appear to be forged. Some of the names signed to them include John Doe, Jane Roe and Max Winter.

In other cases, names were made up similar to the contractor's name and in some cases, the actual name of the contractor was signed.

A 1977 survey of Aitken County was made by Lee and showed a prevailing wage substantially lower than the AFL–CIO rate—a rate under which the county was listed. However, the lower and correct rates were never accepted and published as the official prevailing wage.

In a case where a large contractor paid his Teamsters union workers less than the Teamsters' statewide contract, the department chose to use the higher-paying contract in setting wages where the contractor worked, Lee said.

The assistant attorney general assigned to the department as its legal advisor, John Murphy, said he never notified law enforcement agencies of the presence of the forged documents. Nor, he said, did he make any attempt to find out who was forging them, although he has known about the forgeries since February 1976.

Was that wrong? "I guess I don't have an answer for that. In retrospect, it might seem that it would have been best to pursue the matter."

McDonald and Rees are pushing the investigations to obtain support for their effort to repeal the so-called "little Davis-Bacon act," strongly backed by the state AFL-CIO, passed in 1973.

That law and the federal version it is modeled after requires that construction workers on government projects be paid hourly wages no lower than those prevailing for similar work in the area where the construction occurs.

The law also requires the Department of Labor and Industry to determine and publish, on an annual basis, the prevailing construction wages in each of Minnesota's 87 counties.

The contractors say the wage rates required on state projects are based on AFL–CIO union scales which are higher than those normally paid in many of the outstate counties.

Many of those contractors use non-union workers or workers belonging to the Christian Labor Association, a labor union active in rural areas which is not affiliated with the AFL-CIO. It pays scales lower than organized labor but often higher than non-union workers.

Because the state requires contractors to pay the higher AFL-CIO wages, the contractors say they must submit higher bids on state-financed projects than they would normally submit, thereby driving up the cost of a project.

McDonald said the practices discouraged many contractors from bidding on state-financed construction projects because they feared that paying two wages rates to their workers would hurt morale.

The payment evidence forms in the department's files provide spaces for listing wages paid various classes of workers, the number of each category of worker used and the county where the construction occurred.

The Star obtained copies of several of the bogus payment evidence forms submitted to to the department as recently as last November.

Six contractors whose names appear on the forms denied in interviews that they had signed them and said the wages listed for their companies were $1.50 to $5 an hour higher than they actually pay.

They also pointed out many other errors on the forms, including wages for classifications of workers they didn't use.

Malone, who resigned as labor commissioner after the new Independent-Republican administration took office, said the documents were not used in determining prevailing wages. He also said the AFL–CIO rates were used because that's what the U.S. Department of labor published as its rate for federal projects in rural Minnesota.

Young said the forms were used only as a reference to learn where various contractors were doing work so their payroll records could be inspected.

Young said he never noticed the phony names and false information in his files until it was pointed out to him by Leon Kelzenberg, Associated Builders and Contractors' current president and an estimator for Duinnick Bros. and Gilchrist Construction Co., Prinsburg, Minn.

Kelzenberg said he first noticed the rates for many rural counties were inflated when they started appearing in bid proposals for state highway projects in 1975.

He visited the prevailing wage office in February 1976 to complain.

He said that when he asked officials where they got their information, he was shown to the division's files where he found a number of the "payment evidence" forms ostensibly listing the wages paid on various public and private construction projects.

Kelzenberg said he knew many of the contractors listed, was familiar with their operations and could tell immediately that the forms were fraudulent.

As Kelzenberg describes the scene, it almost became a shoving match. He demanded copies of the documents and refused to leave the office until he got them. The shouting ended, he said, when Assistant Attorney General Murphy and an Associated Builders and Contractors lawyer agreed that Kelzenberg was entitled to copies of the forms.

Kelzenberg and the Associated Builders and Contractors lawyer then took a dozen of the forms to the contractors involved and collected signed affidavits.

The contractors said they had never seen nor signed the forms and that much of the information on the forms was false.

"There were literally hundreds (of the documents) that I considered to be defective in some significant way," Kelzenberg said. "Some described projects that never existed, some described projects that were in the wrong county."

Kelzenberg said he was told by Young and Malone that the documents were not used in determining prevailing wages.

Kelzenberg said Associated Builders and Contractors then pressed for a change in the law that would permit them to challenge disputed wage determinations. An amendment setting up a formal hearing procedure was passed by the 1976 Legislature.

As a result of the Associated Builders and Contractors protest, Malone wrote a memorandum to Associated Builders and Contractors attorneys on April 23, 1976, saying that the contractors' claims "raise sufficient concern that some of the . . . forms submitted to the division may contain inaccurate and misleading data."

The memorandum ordered the prevailing wage division not to use any of the forms or other submitted documents in making wage rate determinations.

No harm had been done, the memorandum said, because in 48 counties (all but six in rural areas), the department had set the wage rates at the same levels as those set by the U.S. Department of Labor. The Minnesota department would continue to use the federal figures in those counties, the memorandum said, but actual on-site surveys would be conducted in the future on the remaining 39 Minnesota counties.

But the "federal experience," it turns out, consisted largely of reading figures sent to the U.S. Labor Department by the Minnesota Labor Department and Highway Department officials. The Minnesota labor figures turned out to be AFL–CIO rates recommended by a former state highway commissioner in a 1973 letter to the U.S. Labor Department office in Minneapolis.

Since then, Minnesota and the U.S. Labor Department's midwest regional office have been annually bouncing the same set of figures back and forth between St. Paul and Chicago. The only changes in this set of figures came when a formal challenge of the rates forced the state to conduct a field survey.

Malone rejects any suggestion that the department was, in effect, favoring the AFL–CIO. "We weren't trying to set AFL–CIO rates for the entire state of Minnesota," he said, "but only to cut down our workload. We were badly understaffed and we were simply trying to take advantage of the federal experience in this.

"When we started, we contracted everyone we felt could help us do an effective job of determining rates—the highway department, county engineers, municipalities and union business agents in both the AFL–CIO and the Christian Labor Association," Malone said.

After the law was changed to provide for an appeal procedure, Associated Builders and Contractors challenged the rates for highway construction in 20 of 48 mostly rural counties.

After making its own surveys for the first time in those counties, the state labor department substantially reduced the rates in 18 of the 20 counties.

"It was a well-conceived method for retaining as many AFL–CIO rates as possible for building and highway construction," Lee said. "They didn't change the rates until they were challenged and then there were

dramatic changes. In those 48 counties, we really didn't know what the prevailing wages were because they were never surveyed.

"That was the reason the forms were so critical, the reason Young would appeal to the unions to get them in, so he could have some justification for these (wages) determinations," Lee said. "Why else would you have them in the files? Why else would the forms ask for so much specific information on wages?"

According to Gordon Langhoff, the other field investigator in the prevailing wage division, Young frequented meetings of labor officials and repeatedly passed out "payment evidence" forms and exhorted the officials to distribute them and to get them sent back in to the prevailing wage division.

It was those forms, the ones seeking individual pay rates for each category of worker, according to Lee, which came back into the labor department offices often forged and containing exaggerated pay rates.

The practice, he said, did not stop with the Associated Builders and Contractors protests in 1976 and has continued until as recently as a few weeks ago. Lee said that between last fall and the middle of this month, he saw at least 30 to 50 falsified documents sitting around the division offices waiting to be filed.

Langhoff confirms Lee's account that the department is still accepting and filing fraudulent documents. Langhoff told The Star that he saw the top sheet on a pile of documents referred to by Lee and that the information on the sheet was false.

"I remember it was right before Christmas (1978)," said Langhoff, "and I was shocked because I was told we had quit doing those things."

But Langhoff said he did not then examine the entire pile as did Lee and could not offer an opinion on the accuracy of the rest of the "payment evidence" forms in the stack.

Lee said he called a number of the contractors listed on the forms to verify his suspicion that the information was incorrect and then protested to Young. But the forms went into the files over his protests.

Later Lee photocopied a number of the fraudulent forms.

The Star obtained copies of fraudulent "payment evidence" forms collected by both Lee and Kelzenberg.

But a search of the file cabinets in the prevailing wage division turned up none of the originals of the forged documents until Star reporters described what they were looking for. Then the documents reappeared in the file.

R. Bruce Swanson, who was acting as labor department commissioner, said that the documents had been in the files all along and had been passed over by the Star reporters.

Malone was asked why the department continued to file payment evidence forms after the fraudulent forms were discovered in 1976. "We didn't want to be caught in the position of somebody coming in and saying, 'Hey, we sent you something and you didn't keep it,' " he said.

Swanson said that as deputy commissioner under Malone he was never directly involved with the prevailing wage division. "But I've been told that none of these payment evidence forms were ever used for making wage determinations for any county or any activity in the state of Minnesota. They were stored for the sole purpose of assisting the department in finding projects that had been overlooked in a survey," he said.

"But then why," says Lee, "would they have kept the forms for unsurveyed counties?"

Swanson said he didn't know and was not getting good answers from Young.

Swanson, a lawyer, said he could not understand why the forms were still being received and filed after 1976, when the department announced its policy not to use them.

"That troubles me, why you continue to collect a document that is so susceptible of accusations of fraud and misuse, when you're using it for a limited purpose," he said.

None of the officials interviewed professed to know who was forging the documents.

One contractor, Don Larson of Larson Crane Service of Worthington, said the rates listed as coming from his company "are union rates. Some union business agent filled them in and sent them in; that's what happened. I can't prove it, but I'd make a $500 wager on it."

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[From the Pioneer Press-Dispatch, Feb. 17, 1979]

FBI Probes State Wage Fraud

(By Les Layton)

The FBI is investigating charges by two Minnesota legislators that state officials wasted "millions and millions" of dollars by circumventing a 1973 law establishing prevailing wages for state highway and building projects.

David Brumble, special agent in charge of the Minneapolis FBI office, confirmed Friday an investigation has begun into allegations that fraudulent documents reflecting overstated wages were used by the Minnesota Labor and Industry Department and forwarded to the U.S. Labor Department. Brumble said he could not comment further.

The charges of waste were made by two Minnesota state representatives, Tom Rees, I-R-Elko, and Kenneth McDonald, I-R-Watertown, who contend that in addition to accepting fraudulent documents, the state agency was sloppy and lax in monitoring the prevailing wage act.

Besides the FBI, Gov. Albert Quie's staff and Legislative Auditor Eldon Stoehr have been reviewing the allegations. No audit of the state's prevailing wage program ever has been conducted. In fact, the legislative auditor's office has not audited the Labor and Industry Department since fiscal year 1973. It is supposed to do so every year "if funds and personnel permit," according to Minnesota law.

The state's 1973 version of the federal Davis-Bacon Act charges Labor and Industry with the responsibility of monitoring payrolls of contractors and subcontractors who worked on state highway or building jobs the previous year. The department then determines what wage rate should apply for future construction bids.

Here is how the state law was designed to work: If 51 percent of workers in a specific county employed on state highways, bridges or buildings during the year are being paid AFL–CIO rates, then bids the following year will be based on labor costs reflecting the union pay scale. Thus, even if a non-union contractor wins a bid for a state program, he must pay his workers the higher union pay.

If no group has a majority, the Labor and Industry Department sets a pay scale based on the largest group of workers getting the same amount an hour. This greatly favors union workers because they get a set hourly rate, while the non-union people often are paid varying wages based on experience, length of service and ability, according to Rees and McDonald.

"All ties go to the union," says Jerome Lee, one of two Labor and Industry investigators who travel the state determining what should be the prevailing wage.

If the non-union, or Christian Labor Association, rate is selected as the prevailing wage, Labor and Industry sets the pay scale at the highest non-union or CLA hourly salary.

Leon Kelzenberg, president of the Minnesota chapter of Associated Builders & Contractors, this week called that practice unfair because one laborer might be related to the contractor and getting paid $10 an hour, while all others doing the same job get $7 an hour.

Rees and McDonald, as well as non-union contractors contend AFL–CIO wage rates were used in many counties where the actual salaries normaly paid were far less than the union rate. This resulted in inflated costs and unnecessary expenditures of millions of dollars in taxpayers' funds, they said.

Lee said Leo Young, Minnesota Prevailing Wage Division director since the law's inception, pulled him off several counties almost two years ago when his payroll surveys indicated that counties classified AFL–CIO really should be changed to non-union or CLA.

Lee also charged his boss with destroying data he had collected showing that state and federal projects built in Aitken County should be bid at non-union rates rather than AFL–CIO because only about 20 percent of the workers there were being paid the higher union pay. The state still is paying the union wages in that county today.

Young denied the charges Friday, but he later admitted not publishing the Aitken County information because Aitken automatically was established as AFL–CIO by the Labor Department.

McDonald and Rees, who recently introduced legislation to repeal the state's Davis-Bacon Act, say the Labor and Industry people have relied on fraudulent information or on inadequate research to set the prevailing wages in favor of the state's strong labor forces. They also say that information has caused the Labor Department to automatically classify 48 state counties AFL–CIO.

Before Minnesota had a version of the Davis-Bacon law or did any surveys to establish fair wages for state projects, Minnesota public officials could get a county classified simply by requesting the DOL (Labor Department to do so, according to documents obtained from the Chicago Department of Labor office through the Freedom of Information Act.

An Aug. 11, 1971 letter from former Highway Commissioner Ray Lappegaard to Alfred Ganna, director of the DOL's division of wage determinations, did just that. Lappegaard said the wage rate negotiated between the AFL–CIO and the Associated General Contractors should be used as the prevailing wage for Minnesota highway construction in 48 counties rather than making "extensive inquiries in an attempt to determine the prevailing wage" rates for various state projects.

"It is our belief that determination of wage rates on a project-by-project basis and in a county-by-county area is extremely time-consuming, administratively messy, and contributes to inordinate delays," Lappegaard said in his 1971 letter to Ganna. "These delays hinder rather than help independent contractors who wish to submit bids to perform highway construction projects.

"It my further understanding that the Federal-Aid Highway Act (of 1956) provides that the Secretary of Labor shall take into consideration the recommendations of appropriate state officials in determining wages. It further provides that a state highway department shall also provide its recommendations . . ."

Lappegaard's wish soon was granted, and for years the DOL stopped surveying Minnesota counties to determine the actual prevailing wage.

Other correspondence indicates E. I. Malone, Minnesota's labor and industry commissioner, agreed with Lappegaard's recommendations.

Lappegaard, now a Data 100 Corp. vice president, explained Friday evening that

neither former Gov. Wendell Anderson nor state labor leaders pressured him to seek the AFL–CIO wages for the 48 Minnesota counties and discourage the survey method.

"They (DOL officials) wanted us to make the surveys," Lappegaard said. "They did not have that data readily available for us. It was a case of telling us that motherhood and virtue are things that should prevail, but you should handle it."

Malone, appointed commissioner in 1967 by former Republican Gov. Harold LeVander and who resigned just last month, denies the legislator's allegations and says his department did the best job possible at determining prevailing wages, considering the lack of staff.

"It's probably one of the more controversial regulatory functions that any state agency has to contend with. It's a monumental responsibility," Malone said this week of the wage determination process. "We were the middle ground between labor and nonunion contractors, and no matter what you do you get complaints . . . There's no way it can be done with two field people, unless you have a coordinated effort with the federal government."

The lack of staff forced Minnesota to rely on federal prevailing wage rates established by the DOL's Chicago regional office, Malone said.

The DOL's research makes Minnesota's two-man effort look exceedingly thorough in comparison, according to Rees and McDonald.

Jerry Iverson, current director of the DOL's prevailing wage determinations, said in a telephone interview this week he has only one person to survey Minnesota and Michigan projects which use any federal funds. Iverson said his staff must rely on payroll information supplied through the mail by contractors, union officials and "other people interested in our program."

Malone and Iverson agreed the only accurate way to determine prevailing wages is an on-site inspection of contractors and subcontractors' payroll records, but both said that would be impossible to do with current staffing.

Until the spring of 1976, Minnesota's Labor and Industry Department had only one labor investigator to cover the entire state and determine what the prevailing wage scale should be for state highway and building construction. It now has two.

Chicago's DOL office relies heavily on a "payment evidence" form, according to Iverson. Malone said Minnesota stopped using those forms in 1976 when he and other state administrators realized many were fraudulent and contained erroneous information.

Some of these forms obtained by these newspapers reflect anything but the accurate information, according to contractors who insisted they never sent them in or signed them as indicated by signatures on the form. One example is a payment evidence sheet sent in for a $613,107 sanitary sewer and water main extension started last November in Waseca.

William A. Winter, president of the Winter Construction Co. that did the Waseca job, said he never signed or sent the form to the Labor and Industry Department. When informed of its contents, Winter said the payment evidence correspondence contained false and highly inflated wage scales, more employees than actually worked, the wrong address of his company, fringe benefits his firm does not pay and an incorrect date for construction commencement.

The form, co-signed by a union business agent, had Winter's name signed—in handwriting almost identical to the union official's—as "William Winter." Winter says he always signs off as "Wm. A. Winter."

The form says "loaders" were paid $10.85 an hour, plus $1.10 in fringe benefits. Winter and his office manager said these workers were paid $7.50 an hour.

This information does not mean the state must pay the higher wages, McDonald and Rees said, but those inflated pay scales could be reflected in that county when prevailing wages are being calculated the following year.

A form sent to Labor and Industry for a Buffalo, Minn. highway job contained a signature which misspelled the contractor's first and last names. He denied ever sending the form, which again was cosigned by a union business agent.

The Minnesota ABC chapter, primarily consisting of firms that employ non-union workers, recently has been successful in challenging many Minnesota prevailing wage rates after hiring an attorney to get access to the state and federal files used to determine pay scales.

"A substantial majority of their so-called (state) wage reports were not signed by contractors, and some of them reported jobs that hadn't begun or didn't exist," Kelzenberg said.

Kelzenberg said when his association challenged the wage rates established for 27 counties in 1976, the Labor and Industry Department could provide wage surveys for only five counties. The union wage scales then were lowered for many classifications in 25 of the 27 Minnesota counties, resulting in major savings on state construction projects that were bid the following year.

Minnesota's prevailing wage issue really got hot during the winter of 1976 when Malone and Frank Marzitelli, acting transportation commissioner, told ABC officials there would be no more challenges considered for coming projects because the disputes were delaying bids on state and federal highway jobs. That's when the ABC, then in its first year here, hired legal counsel to battle the wage determinations.

Those battling what they considered inflationary wage scales got their day in court at a public hearing—held two days after the Nov. 9, 1976 election—which settled some of the wage disputes and for the first time gave contractors an official forum to complain and established rules and regulations to guide Labor and Industry wage determinations. Those rules, however, were not published and enacted until March 28, 1977. The next wage rates did not come out until April 30, 1977.

Other ABC and CLA challenges to wage rates also have been successful, although most of the 48 counties originally established as AFL–CIO by Lappegaard still remain tied contractors maintain that the AFL–CIO rate to the union pay scales. Kelzenberg and other is far higher than the workers normally are paid for other than state or federal work.

Kelzenberg and the two I-R legislators contend the rates were delayed because through the challenges, many counties which had the AFL–CIO rates as a prevailing wage were being changed to non-union or those lower rates paid to CLA members.

Malone, a former electrical union official and now a Northern States Power Co. executive, denied the charge, saying he responded as quickly to challenges as possible with the limited staff which he says the Legislature failed to increase when he requested more help.

R. Bruce Swanson, temporary Labor nad Industry commissioner, called the prevailing wage determination process which decides how millions of dollars are spent "absurd," but he says he has found no unethical conduct on the part of any of the staff involved with the program.

"It appears to me, on the basis of what I've heard for the last 10 days, that it is an impossible task (to accurately determine prevailing wages)," Swanson said. "The system would work with 30 guys, but it obviously doesn't with two. . . . What we've tried to do clearly doesn't work. If the intent of the law was to physically survey 87 counties and personally review payrolls of each contractor who did work last year, that intent was never acomplished. Ever."

A review of the Prevailing Wage Division's travel expenditures shows that it spent as little as $846 in fiscal 1975 traveling around the state obtaining the wage determinations. Those totals climbed to $2,940 in 1976, $7,950 in 1977 and $5,562 in 1978.

Swanson, a former deputy commissioner who took over the department only two weeks ago, said he could not explain the decline in travel expenses between 1977 and 1978. The two labor investigators that conduct the surveys do have a state car that is not reflected in the expense totals.

Swanson confirmed he has confiscated and locked the prevailing wage files in his office after Rees became "concerned" that some of the material might be destroyed.●

## TRIBUTE TO COUNCILMAN RODNEY A. NIELSEN OF REDONDO BEACH

### HON. GLENN M. ANDERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. ANDERSON of California. Mr. Speaker, I would like to share with you and my colleagues some of the accomplishments of one of the truly outstanding citizens of this country, Mr. Rodney A. Nielsen of Redondo Beach, Calif. Mr. Nielsen was appointed as a city councilman on September 7, 1965 and will serve in that capacity until March 31 of this year. The numerous projects and activities which he has either initiated or contributed to provide eloquent testimony to his abilities, initiative, and dedication to the welfare of the people of his city. In recognition of his many achievements, the Mayor of Redondo Beach, the Honorable David K. Hayward and the city council have approved a resolution commending Mr. Nielsen and setting forth in summary some of his most significant achievements. I would like to share this resolution with you:

A. RESOLUTION

Whereas, Rodney A. Nielsen was appointed as City Councilman from District 5 on September 7, 1965, to fill the vacancy created by the resignation of Dale O. Page; and

Whereas, Rodney A. Nielsen was re-elected as City Councilman from District 5 at the general municipal elections conducted in 1967, 1971, and 1975; and

Whereas, Rodney A. Nielsen, as the senior member of the Redondo Beach City Council, has frequently served as the Mayor Pro Tempore; and

Whereas, Rodney A. Nielsen has also served as a member of the City's Recreation and Parks Commission, Housing Authority, Parking Authority, Redevelopment Agency, and Harbor Review Board; and

Whereas, Rodney A. Nielsen has been an active representative of the City in various capacities with the League of California Cities, South Bay Cities Association, Los Angeles County Sanitation District, and the South Bay Regional Public Communications Authority; and

Whereas, Rodney A. Nielsen has been an enthusiastic supporter of community beautification and park development, contributing significantly to the landscaping of the Edison right-of-way, the development of Dale O. Page Park, Alta Vista Park, Dominguez Park, F. E. Hopkins Wilderness Park, Glenn M. Anderson Park, the Adams/Washington Sports Complex, the development of

a system of parkettes throughout the city, and numerous medium landscaping projects; and

Where, Rodney A. Nielsen has been an active participant in the continued development and expansion of Redondo Beach King Harbor, the construction of the Pier Parking Structure, and the initiation and completion of the Redondo Plaza Redevelopment Project; and

Whereas, Rodney A. Nielsen has been largely responsible for the development of a comprehensive storm drainage and flood control system in the northern portions of Redondo Beach; and

Whereas, Rodney A. Nielsen has been an ardent promoter of traffic safety and traffic control in North Redondo, lending considerable support to the augmentation of law enforceable efforts, traffic signalization, and major street improvement projects such as the widening of Inglewood Avenue; and

Whereas, Rodney A. Nielsen has played a key role in the development and continuing refinement of the City's General Plan and Zoning Ordinance; and

Whereas, Rodney A. Nielsen has been a strong advocate of human service programs, lending his support to the provision of temporary interim senior citizen meeting facilities at Glenn M. Anderson Park, the development of senior citizen housing within the community, the establishment of a paramedic program, and many others; and

Whereas, Rodney A. Nielsen's 14 years of public service as City Councilman from District 5 have exemplified the highest ideals of citizenship and community participation, and strengthened the concept of local self-governance; and

Whereas, because of charter imposed term limitations, Rodney A. Nielsen must reluctantly step down from his seat as City Councilman from District 5 on March 31, 1979;

Now, therefore, be it resolved by the Mayor and City Council of the City of Redondo Beach, California, on behalf of the citizens of said city, that Rodney A. Nielsen is hereby commended for his outstanding and dedicated public service to the people of Redondo Beach.

The City Clerk shall certify to the passage and adoption of this resolution, shall enter the same in the Book of Resolutions of said city, and shall cause the action of the City Council in adopting the same to be entered in the official minutes of said City Council.

Passed, approved, and adopted this second day of April.●

## SENATOR WILLIAM COHEN SAYS "NO" TO A DEPARTMENT OF EDUCATION

### HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. MICHEL. Mr. Speaker, I know you share with me a sense of admiration and respect for our former colleague and currently U.S. Senator from Maine, BILL COHEN. Nowhere has his commonsense and wide-ranging knowledge been more evident than in an article published recently in the Washington Star. Senator COHEN's calm and persuasive arguments against the proposed Department of Education are compelling and should be read by all our colleagues.

At this time, I insert in the RECORD, "Meddlesome Monster" by Senator WILLIAM S. COHEN, published in the Washington Star, March 18, 1979.

MEDDLESOME MONSTER

(By WILLIAM S. COHEN)

There is a strong current of opinion running across the country that Congress must take action to reduce the dramatic growth of government and its bureaucracy. The public roar in the heartland, however, has been reduced to a murmur in Washington. Marble has its acoustical advantages.

In the name of management efficiency and the need for a federal eye over the pyramid of education, Congress appears ready to take the "E" out of HEW and create a new agency, a new head, a new house, and, yes, a new foundation.

Earlier this week the Senate Governmental Affairs Committee voted overwhelmingly for a bill to create a new Department of Education. Congress, of course, has a responsibility to rest its judgment on something firmer than the shifting sands of public opinion—particularly when its action is calculated to add a new and permanent star to the growing federal constellation of heavy and heavenly bodies. Past experience, common sense, and the rules of probability must be considered as well as the "felt necessities of the times."

As one who is opposed to a separate Department of Education, however, I suggest that the imminent congressional action contravenes not only common sentiment but sound public policy as well.

There can be no dispute that many education programs are entangled in the present organizational briar patch of HEW. Name a health or welfare program that is spared this agony. But there has been no persuasive evidence indicating that the problems plaguing the federal education programs—duplicative and conflicting regulations, burdensome and unnecessary paperwork, and unclear lines of authority—would be significantly reduced were a separate Department of Education created.

To the contrary, a case can be made that were the spirit willing, a reorganization plan could be fleshed out to produce consolidations and efficiencies within the existing HEW structure.

One of the major reasons advanced by advocates of a separate Department of Education is that greater efficiency would result from the consolidation of education programs now scattered throughout the federal bureaucracy in departments as diverse as Justice and Interior.

The proposed legislation, however, does very little to promote consolidation. Many federal education programs, including school lunch, Indian and veterans' education programs, would not be transferred to the new department. Each is too deeply rooted in the subsoil of its political constituency.

While it may be advisable to place all federal education programs under one roof, this legislation does not accomplish that goal. Perhaps proponents of the new department hope that if Congress creates a shell now, the president could use his reorganization authority in futures years to transfer additional programs with only minimal congressional review or political opposition.

Since this legislation neither consolidates existing education programs nor offers any reasonbale assurances that the current administrative problems would be alleviated, we must consider what a more centralized focus would imply for educational policy in this country.

It is argued that a Department of Education would increase the status and visibility of education in the federal government and would recognize it as a fundamental national activity. Indeed, it would, but the question is whether we want to increase the federal role in education.

The diversity in our present education system is one of its strengths. This attribute stems at least in part from our strong tradition of citizen involvement in determining education policy at the state and local levels. Unlike other countries, we do not have a national "ministry of education," which establishes and controls education for all of the nation's schools. Instead, we have local school boards comprised of the community's elected representatives who make educational decisions for public schools. The federal government's role has been a limited one, particularly in determining policies

The Senate sponsors of the Department of Education have gone to great lengths to try to satisfy the serious qualms that many have concerning the possibility of federal encroachment on the rights of state and local governments to control education. But a Cabinet-level office is by its very nature a policy-making office and it is short-sighted to think that we can have greater federal focus, visibility, coordination, appropriations, and still retain local control over policies, standards or curricula.

Indeed, if the past is merely prologue then the future of this new agency and the taxpayers who must support it is not promising. History clearly demonstrates that whenever the federal government becomes involved in a matter previously handled by the state and local governments, the state and local role inevitably decreases. In recent years, as the federal share of education costs has risen, local school districts have become increasingly ensnared by federal regulations. This trend will only increase with the creation of a separate Department of Education. The temptation to attach strings to federal education monies is always present, and the tendency of federal agencies to promulgate endless regulations that erode or pre-empt the authority of state and local governments is a linear progression that is well documented.

Finally we should be concerned about the precedent that we are setting. Educational organizations for the most part support creation of a separate department. But other interests would also like to have cabinet representation. Small business groups for years have pressed for an upgrading of the status of the Small Business Administration to cabinet level. Women's organizations would like very much to see the creation of a Department of Women, and environmentalists no doubt would prefer to have environmental issues separated from the Interior Department's other functions and elevated to cabinet status. Many fishermen want a department of fisheries. All of these interests are very important, and to their supporters, they are deserving of increased federal recognition.

President Carter once pledged to hack through the organizational thicket of 1,900 agencies that encumber the Federal Triangle and give us a government as slim and efficient as we deserve. We cannot hope to curb the growth of bureaucracy by indulging its appetite and calling it reorganization. We deserve better.●

## ANOTHER PERSPECTIVE ON TAIWAN

### HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. LAFALCE. Mr. Speaker, during the recent debate over H.R. 2479, the United States-Taiwan Relations Act, we heard a good deal of talk about the distinction

between the free Republic of China and the Communist People's Republic of China. We were also informed that this bill represented a virtual sellout of our good friends on Taiwan.

While there is no doubt about the nature of the Peking regime—it is a Communist dictatorship—there are some doubts about exactly how free is the Taipei government. In order to gain a balanced perspective on recent events in East Asia, more attention needs to be paid to both the historical background of Taiwan and the nature of the government in power on the island.

In an article of the February 26 edition of the Rochester Democrat and Chronicle, Prof. Charles J. Wivell poses a rather intriguing question: "Will Taiwan's Chiang family meet the same fate as Shah of Iran?" As an associate professor of Chinese literature at the University of Rochester, the author is very familiar with the history of Taiwan and recent events in Taiwan. His analysis of both raises some profound and disturbing questions about a supposed bastion of democracy, and, therefore, I want to commend it to the attention of my colleagues.

WILL TAIWAN'S CHIANG FAMILY MEET SAME FATE AS SHAH OF IRAN?

(By Charles J. Wivell)

There is an important lesson to be learned by Americans from the fall of the shah of Iran and if we draw the appropriate conclusions from it, we can be better prepared to understand the kinds of problems the future holds for the people of Taiwan and for the rest of us.

The Iranian regime seemed to be so prosperous and orderly, such a staunch ally against Communism, a brake against the more extreme members of the OPEC Club.

The violence of Iranian students and their fear of the Saavak secret police were our first inklings that all was not well in Iran and that in fact there was a huge groundswell of discontent and outright animosity among the conservative majority of the population. Communism proved less fearful to the Iranians than their own rulers.

Many of the ingredients of the Iranian situation are evident to the careful observer of Taiwan in the actions and policies of the Nationalist regime on the island.

The majority of the population of Taiwan has good reason to feel alienated and oppressed by the minority ruling party.

The people on Taiwan who consider themselves to be "native Taiwanese" number some 15 million of the 17 million population and, except for some 150,000 racially mixed aborigines of Malayo-Polynesian antecedents, most of the 15 million are ethnic Chinese whose ancestors came to the island from the Southern provinces of China over the last 300 years.

The identity of this group was more intensely defined by their experience of 50 years as a Japanese colony from 1895 to 1945.

Under Japanese colonial administration Taiwan had a G.N.P. three times that of the Chinese Mainland.

The population was well-educated: over 70 percent of the people had been to primary school, and 50 years of struggling for some autonomy within the Japanese Empire had produced a generation of astute and dedicated political activists.

Mild political activity was tolerated by the Japanese authorities, but Left Wing and Communist activity was effectively squashed by the efficient military police.

When the Chinese Nationalist general Ch'en Yi took over the administration of the island from the Japanese it was a warlord's dream: a place of incredible prosperity compared with the Mainland, with a docile popuation and no Communists.

In less than two years Ch'en Yi and his carpetbaggers had ruined the island's economy, liquidated most of the middle and upper class of the island and slaughtered thousands of high school students who had been trained in Japanese schools. The Nationalists treated the Taiwanese as "tainted" by their Japanese associations.

One of the leaders of the Nationalist Party programs against the Taiwanese was Chiang Ching-kuo.

The eldest son of Generalissimo Chiang Kai-shek, Ching-kuo was Head of the Nationalist Party of Taiwan and concurrently Head of the Nationalist Secret Police.

Changes have occurred in the treatment of the island's majority by the Nationalists.

The wholesale slaughters of the 1947–1949 period gave way to more subtle forms of oppression

The million-man army which Chiang Kai-shek brought with him to the island has become superannuated and the armed services are now filled with young native Taiwanese.

The children of both the native Taiwanese and the Mainlanders have grown up in circumstances different from their elders, but group distinctions are largely preserved and "mixed marriages" are frowned upon.

New rootless populations have been added to the island since the 1949 flight of the Nationalist Government and military to Taiwan. Many of these men, discharged servicemen, ex-prisoners of war from Korea, and de-mobilized remnants of Nationalist armies from Southeast Asia, form a pathetic group of pensioners with no families and no hope for return to their mainland homes.

Advertisements placed by the Nationalist Government in the New York Times, and other U.S. newspapers to encourage investment in the island's booming economy have always stressed the highly skilled and docile work force and the fact that strikes are not permitted.

Politically, little has changed on Taiwan since the early sixties: the Nationalist Party runs the show and power is concentrated in the hands of Chiang Kai-shek's immediate family, relatives, and personal associates.

The secret police operate by the tens of thousands in every institution, business and school on the island.

Secret police agents are placed among Chinese student groups studying in foreign countries and in social organizations made up of overseas Chinese.

Political pressure is easy to apply on those who have relatives in Taiwan.

Under martial law (which has been in effect on the island since 1949) the government is free to arrest, detain and execute anyone without benefit of warrant, trial or other legal niceties.

Last year, until December 15 when President Carter announced that he intended to de-recognize the Nationalist Government on Taiwan as the legitimate government of China, election campaigns were in progress on the island.

For the first time ever, the Nationalist Government permitted non-Nationalist Party candidates to run for election to "national" offices.

There was a flurry of activity from those identifiable as native Taiwanese and even some Nationalist Party members who saw this as a chance to urge the regime to end martial law, inaugurate constitutional government based upon the Three People's Principles of Dr. Sun Yat-sen, and reduce harassment of dissidents by the secret police.

The Nationalist authorities, fearful that the volume of criticism was getting out of hand and that the non-Nationalist Party candidates threatened to emerge as a cohesive and de facto majority party, intensified harassment of opposition candidates: plainclothesmen hassled campaign speakers and leafleteers.

Some candidates were arrested for allegedly possessing "subversive literature." The dissident Nationalist Party candidates who called for implementation of the constitution and an end to martial law have been expelled from the party and labelled "disloyal fomenters of dissension."

Now, although the elections have been postponed indefinitely, the Nationalist Government continues to pursue its campaign to discredit and terrify those who were announced opposition candidates and their supporters.

Will the regime of the Chiang family on Taiwan go the same way as the shah of Iran? It certainly is within the realm of possibility.

Perhaps, although past performance of the Nationalists seems against it, the various parties involved in the Taiwan situation may work out some solution which will satisfy the reasonable aspirations of all concerned: constitutional government and human rights for the majority on the island, inauguration of a genuine multi-party system, and autonomy.●

## PENSACOLA NAVAL AIR REWORK FACILITY

### HON. EARL DEWITT HUTTO

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. HUTTO. Mr. Speaker, I want to take this opportunity to commend the outstanding accomplishments of the employees at the Pensacola Naval Air Rework Facility. I also want to impress upon the Congress the impacts of year-end strength ceilings in this facility.

As we are all aware, the Naval Air Rework Facilities have come under close scrutiny, along with many other defense agencies, during the past few years. Time and time again, the Naval Air Rework Facility at Pensacola has passed these reviews with flying colors. I am proud of the fine performance of this unit and can assure our taxpayers that NARF Pensacola does not fit the mold often expected of Government employees. These civil servants are among the best and most efficient in Government service.

To say that this admirable performance has been obtained despite great odds is an understatement. Ironically, the odds are being placed upon our own hard-working personnel by the administration and Congress.

In the current fiscal year the workload at NARF Pensacola has caused a situation where overtime for employees will be approximately 10.5 percent. In fiscal year 1980, current projections indicate a 7.1 percent overtime overload. I would like to note that this is well

above the optimum ratio for normal facility operation. It is estimated that, if the NARF had a full complement of skilled workers, in direct proportion to workload, approximately $1.6 million in premium pay would be saved annually.

Besides the obvious cost savings, other tangible and intangible savings would result. For instance, high overtime reduces the time available for plant machinery maintenance. With a physical plant valued at over $70 million, the upkeep is important. Long-range planning is also extremely difficult under these conditions. Additionally, such excessive overtime causes fatigue, thereby promoting greater inefficiency, less production, reduced quality, and even increased risk for injury.

Furthermore, year-end strength ceilings have forced NARF Pensacola to hire substantial numbers of temporary employees. In such highly specialized fields, often the skills needed for working on a multimillion dollar aircraft are lacking or ill-fitting. Consider, if you will, the havoc created by the hiring of temporary employees on management training and on-the-job training programs. The costs in training dollars lost and personnel time invested and lost has not been calculated. We, as representatives of the people, recognize the difficulties of an ever-increasing workload and overworked staff. We, as governmental managers, recognize that even our best employees can only produce so much before a personal toll is taken.

Just last week I participated in the "roll-out" of the first pave low III aircraft at NARF Pensacola. This refurbished helicopter, capable of flying in inclement weather or night conditions, was the result of a joint Air Force/Navy contract program. Believe it or not, NARF Pensacola completed the rehab of the helicopter in less time and at less cost than could have been achieved elsewhere, within or without Government. This project was not accomplished without substantial personal sacrifice by our civilian personnel. Yes, even overtime dollars lose their appeal when days become weeks and weeks become months of 10, 12 or 14 hour days. Possibly we are asking too much of a select and highly trained group of individuals. Consideration should be given to increasing personnel at NARF Pensacola to better meet the needs of the Armed Forces.

Before closing, let me take a moment to address the little-known fact that NARF Pensacola went "in the black" in March 1978 and has so remained. Would not it be nice if more Government operations could boast this statement?

In closing let me note that NARF Pensacola is the premiere NARF facility in the Navy. This fact is largely due to the hard work of the employees at the facility. It would be tremendous, and might even catch some governmental attention, if this facility was rewarded with more personnel and other projects. I am proud to announce that NARF Pensacola stands ready to meet the challenges of the future.●

## McCLORY INTRODUCES BALANCED BUDGET CONSTITUTIONAL AMENDMENT WITH SPENDING CAP, CAPITAL BORROWING LIMITATION, AND DEBT REPAYMENT

### HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

*Tuesday, March 20, 1979*

● Mr. McCLORY. Mr. Speaker, at the beginning of the 1970's, I gave my enthusiastic support to the reform movement which led to the passage of the Congressional Budget and Impoundment Act of 1974, as a means of forcing greater congressional control over spending, the establishment of priorities, and critical assessments of the relative effectiveness of different programs. Unfortunately, as we are all aware, big deficits had by then become a way of life and the 4 years since the formation of the House and Senate Budget Committees and the Congressional Budget Office have not been notable for holding down Federal expenditures or reducing deficits. Indeed, although the budget process has not been entirely the tool of the "big spenders," it is also true that it has only marginally slowed down those whose guiding philosophy is "tax and tax and spend and spend."

This year's budget forecast of a fiscal year 1980 deficit of $29 billion is widely conceded to be overly optimistic. The Congressional Budget Office itself predicts a fiscal year 1980 deficit of $41 billion.

Can you believe that there once was a time when a budget deficit was an unusual occurrence? During the years before the Civil War, deficits were rare. Those that did occur were attributable to the War of 1812, the recession of 1837 and 1839, the Mexican War of 1846 to 1848, and the recession of 1857 to 1858. Aside from these years, only about 10 deficits occurred between 1789 and the Civil War. After recovery from the recession of the 1870's, deficits were not troublesome until 1894, and some administrations even had to grapple with the problem of what to do with a surplus. Eleven deficits occurred between 1894 and 1912, due to increased Federal spending for the Panama Canal, the Spanish-American War, public works, and pension benefits. After World War I, in the decade of the 1920's, regular surpluses made it possible to reduce the public debt by $8.1 billion, from $24.3 billion to $16.2 billion.

The Great Depression of the 1930's led to large uninterrupted deficits between 1931 and 1940, which ranged typically from $2 billion to $4 billion. And in the 39 years between 1940 and 1978, 31 deficits occurred.

Last week the House voted to raise the public debt limit from $798 billion to $830 billion, the amount the Treasury projects will be needed to permit the Government to borrow enough to pay its bills through September 30. Assisted by 9 straight years of budget deficits, the national debt has more than doubled since 1970, when it stood at $382 billion. It is now almost 9,000 times as large as it was at the outbreak of the Civil War, having risen from a per capita burden of $2.80 in 1861 to a projected $4,008 in fiscal year 1980.

In the course of the last quarter century, Federal expenditures have shot upwards like a rocket to the Moon. Outlays were $68.5 billion in fiscal year 1955, doubled to $134.6 billion by fiscal year 1966, redoubled to $269.6 billion in 1974, and have nearly doubled once again to an estimated $500.1 billion—an astonishing half trillion dollars—in 1979.

Mr. Speaker, these figures are intolerable to the American people and from coast to coast the message is being sent to Washington that if the Congress and the administration do not have the political will to exercise budgetary restraint then they must be compelled to do so by constitutional mandate. Almost three-fifths of our States have asked for a constitutional convention to deal with the balanced budget issue and the election returns last fall as well as the public opinion surveys show conclusively that the American people want their elected representatives to confront this issue now.

There are signs that the message is getting through. The Monopolies Subcommittee of the House Judiciary Committee, on which I serve as ranking member, will commence hearings on balanced budget amendments on March 28 and 29, by receiving testimony from four distinguished economists, including the distinguished former Chairman of the Federal Reserve Board, Dr. Arthur Burns. The Senate Judiciary Subcommittee on the Constitution held its first hearing last week and more will be scheduled. The Senate Budget Committee held a balanced budget hearing earlier this month and our own Budget Committee is issuing denunciations which I hope greater wisdom will in time transform into endorsements.

Today I am introducing my own proposal for a constitutional amendment, which combines a balanced budget requirement with a cap on Federal expenditures and limits borrowing to capital expenditures for their useful lives. Under this proposal I would anticipate that ultimately all of our outstanding Federal debt would be tied to tangible assets.

My amendment provides that expenditures in any fiscal year, except for borrowing for capital expenditures, may not exceed revenues collected in that year or one-fifth of the average gross national product for the previous 3 years. Expenditures for this purpose would include interest payments but would exclude principal repayments on the national debt. Revenues for this purpose would exclude revenues raised by borrowing on the credit of the United States.

Borrowing for capital expenditures may only be for a period of time commensurate with the probable useful lives of the assets acquired.

Congress is directed by law to provide for a repayment of our national debt, which would be scheduled as part of fiscal policy or effected in years of unanticipated budgetary surplus.

In brief, this amendment would require balanced current accounts without including receipts from debt or repayment of debt, compelling fiscal restraint at a level reasonably related to the GNP. Congress is directed to provide for repayment of existing and new debt while systematically tying all new debt to tangible assets of equal value.

I also provide that the amendment may be suspended for any single fiscal year whenever two-thirds of the House and Senate shall deem it necessary, and the amendment is made effective with respect to fiscal years which began more than 2 years after the date of ratification.●

# SENATE—*Wednesday, March 21, 1979*

*(Legislative day of Thursday, February 22, 1979)*

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL T. HEFLIN, a Senator from the State of Alabama.

## PRAYER

The Reverend A. Purnell Bailey, D.D., associate general secretary, division of chaplains and related ministries, the United Methodist Church, offered the following prayer:

Let us pray.

Almighty God, our heavenly Father, creator and preserver of all humanity, giver of all spiritual grace, and the author of everlasting life, bless those who have gathered in this honored place to serve You and our country.

Accept our thanksgiving for the freedom and achievement You have given us. We thank You for world concerns and for the needs of others evidenced in the expressions of this body.

We turn to You in repentance and ask for Your forgiveness where we have erred from Your will. Pardon and deliver us from all our sins, which by our frailty we have committed. Help us to see through our errors the beauty of Your will.

We pray for this Nation and all nations, that in Your will we may find concord, and that we may so live together in faithfulness and patience, in wisdom and true godliness, that our world may be a haven of blessing and a place of peace.

Give us wisdom for this day as we seek justice, mercy, and peace. Grant each Senator, and all who give support to the work of the office, strength of body, mind, and spirit. Through Jesus Christ our Lord. Amen.

## APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
*Washington, D.C., March 21, 1979.*

*To the Senate:*

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL T. HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
*President pro tempore.*

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

## RECOGNITION OF LEADERSHIP

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

## THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

## APPOINTMENT OF PAUL J. CURRAN AS SPECIAL COUNSEL BY THE ATTORNEY GENERAL

Mr. ROBERT C. BYRD. Mr. President, yesterday Attorney General Bell appointed Paul J. Curran, a former U.S. attorney for the southern district of New York, Special Counsel to conduct the remainder of the inquiry currently underway concerning various loan transactions between the National Bank of Georgia and the Carter peanut warehouse.

I am not personally acquainted with Mr. Curran, nor do I have any detailed knowledge of his record as a U.S. attorney. I am advised that he is reputed to have been a U.S. attorney with an outstanding record.

The Attorney General and Assistant Attorney General Heymann have recognized that it is vitally important for the public to believe that politically sensitive investigations are being carried forward in a searching and impartial fashion. They have also realized that although the Justice Department might be conducting the investigation in precisely that fashion, the appearance of having the Department handling an investigation affecting the President and his family would leave the public uneasy.

In making this appointment, the Attorney General recognized that the Carter warehouse inquiry involves "a combination of extraordinary and special circumstances." He was following the philosophy expressed by Congress last year when it passed the Special Prosecutor legislation included in title VI of the Ethics in Government Act. That legislation, which was endorsed by the President and the Attorney General, established that there was a narrow range of cases—allegations against the President or other high-ranking executive officials—which cannot be handled like run-of-the-mill investigations. The cost, in terms of public confidence, is too high.

The appointment of a Special Counsel from outside the Government in this case, as in the legislation, means that the matter is not frivolous and is sufficiently sensitive—to warrant independent handling.

I am disappointed that the Justice Department concluded that the Special Prosecutor legislation did not apply in this situation. I recognize that section 604 of the legislation sets forth categories of cases which are exempted from the normal operation of the statute—for example, those that were ongoing at the time the legislation became effective, or those that are currently before a grand jury, or both. But I cannot agree with the Department's argument that section 604 prohibits the Attorney General from requesting the appointment of a Special Prosecutor in an ongoing case if he deems it appropriate. In my view, section 604 was designed to insure that the Department was permitted, not compelled, to continue certain ongoing investigations that would, in the absence of the section, necessitate a Special Prosecutor. However, I recognize that section 604 is not a model of legislative clarity, and that reasonable people could disagree about its effect.

Reasonable people cannot disagree, however, that Mr. Curran's investigation should be expeditious, far-ranging, thorough, and fair. One of the important features of the Special Prosecutor legislation is that it explicitly guarantees the independence of any special prosecutor appointed under the statute by spelling out his powers and authorities and providing that he can be removed only for extraordinary improprieties. Since the Attorney General has in this case appointed a Special Counsel, instead of taking the statutory route, it is incumbent on him to assure that Mr. Curran has the independence needed to carry on an investigation which will leave no doubt in the public's mind that justice has been done.

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