MAY 2

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for HUD and independent agencies.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Smithsonian Institution.
1223 Dirksen Building

MAY 3

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for HUD.
1318 Dirksen Building

Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 8

10:00 a.m.
Appropriations
Interior Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 9

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

MAY 10

10:00 a.m.
Appropriations
Interior Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1980 for the Department of Energy.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

MAY 17

10:00 a.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

2:00 p.m.
Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1980 for the Department of Transportation.
1224 Dirksen Building

HOUSE OF REPRESENTATIVES—*Tuesday, March 20, 1979*

The House met at 12 o'clock noon.

The Reverend Dr. W. Franklin Richardson II, senior minister, Grace Baptist Church, Mount Vernon, N.Y., offered the following prayer:

O Eternal Spirit and Cosmic Shepherd, we need Thee now and always. Hear us as we pray, and avail us the privilege of Your presence, for the living of these days.

We thank Thee for this Nation and for those who at this moment enjoy the privilege of national leadership. Help them to use the control of power with a conscious allegiance only to Thy will. Moreover we are thankful for the opportunities that Thou hast laid at our doorstep, for the abundant resources of technology, ecology, and anthropology that Thou hast endowed us with. Help us never to forget that "those to whom much is given much is required." Give us the courage and commitment to use them to create a climate of peace between nations and peoples of the world, and jobs and housing at home.

Grant us the openness of heart that will usher in the day, when we will celebrate our differences of sex, ethnicity, religion, and color without distinction.

Expectantly, this is our prayer, Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

THE REVEREND W. FRANKLIN RICHARDSON II

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, it is a great personal pleasure for me today to have as our guest my good friend, the Reverend W. Franklin Richardson II, pastor of Grace Baptist Church in Mount Vernon, N.Y., who has just delivered the opening prayer. I would like to acknowledge the reverend's presence and thank him for his inspiring prayer. Reverend Richardson is accompanied by his wife—the former Inez G. Nunnally of Goochland County, Va. He has two children and is also accompanied by one daughter today. Before coming to Grace Baptist Church in 1974, Reverend Richardson served as pastor of the Rising Mount Zion Baptist Church and St. James Baptist Church of Richmond, Va. He is the son of Mr. and Mrs. W. F. Richardson of Philadelphia, Pa., where he was born and attended West Philadelphia High and the Community College of Philadelphia before going on to Virginia Union University in Richmond.

Reverend Richardson is a community leader who has initiated numerous community housing and economic development and improvement projects. He is commissioner of the Mount Vernon Housing Authority. I am always happy to have the benefit of his thinking on issues affecting Westchester and the Nation. His radio ministry is witnessed Sunday mornings on WRTN-FM, and is aired in New York, New Jersey, and Connecticut. You may recall that the Grace Baptist Church choir was telecast nationally on the CBS Christmas Eve Special a couple of years ago. Grace Baptist Church is 90 years old, has a 2,000-member congregation and is known and respected throughout the Nation.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO FILE REPORT ON H.R. 2676, EPA RESEARCH AND DEVELOPMENT AUTHORIZATION FOR FISCAL YEAR 1980

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology may have until midnight tonight to file a legislative report to accompany H.R. 2676, Environmental Protection Agency research and development authorization for fiscal year 1980.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

MIDDLE EAST PEACE INVOLVES COSTS AND COMMITMENT

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, as the terms of the Middle East peace negotiations unfold, it becomes apparent that the cost to the American taxpayers will be in the

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

range of $6 billion. Americans must assume that the peace would involve costs and commitment.

I commend President Carter for his vigorous, painstaking peace initiative. I hope that the Congress and the American people will support this effort.

Peacemaking, however, is not a spectator sport. I am chagrined that Europe with its high-flying francs and marks and Japan with its high-flying yen plan no contribution to a peace which is strategically more important to them than it is to America. The peace is vital to the security of the oil sources on which these nations must depend.

If budgetary problems occur in providing for the cost of the Mideast peace—it seems to me we must carve it out of what we provide for NATO or for the defense of Japan.

As we provide for security for the oil lifeline, critical to the survival of Europe and Japan, they must assume more responsibility for their own defense.

□ 1205

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO FILE CONFERENCE REPORT ON H.R. 2439

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight tonight to file a conference report on H.R. 2439, the budget rescission bill for 1979.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

ARMS TO YEMEN: WHAT EMERGENCY?

(Mr. PANETTA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PANETTA. Mr. Speaker, last Thursday I introduced House Concurrent Resolution 78, which protests the administration's use of its waiver authority in order to speed up the sale of $400 million worth of arms, and perhaps up to 300 U.S. men, to North Yemen. The resolution requests that Congress be given 30 days in which to review the details of that sale in order to determine whether such action was indeed in the best interests of the United States.

One of the arguments against the use of the waiver was that, in fact, an emergency did not exist. The administration officials themselves had indicated this was a "political signal." Again, I would point out that "political signals" do not constitute the kind of emergency envisioned by the Arms Control Act. I think that sets a dangerous precedent.

Just the other day, it was indicated that the military crisis between the two Yemens is over, and I think that also indicates that it is very questionable whether an emergency existed at all. We are now hearing other statements from administration officials that involve providing additional arms in the Middle East. I think it is very important for the Congress to be very careful to make sure its oversight authority pursuant to these laws is exercised.

I urge support of my resolution.

RADIO-TV EFFORTS BEGUN YEARS AGO

(Mr. PEPPER asked and was given permission to address the House for one minute and to revise and extend his remarks.)

Mr. PEPPER. Mr. Speaker, I rise to give words of consolation to the new Members of this House. In 1945, as a Member of the Senate, I introduced a resolution providing that the proceedings of the Congress should be broadcast by the electronic media we had, namely, radio. Later, it was amended to include television.

Yesterday, due to our great Speaker, activities of this House in session were broadcast to the country by television, and will hereafter be available to the country and we will have access to the Nation. It was a great accomplishment toward the perfection of our democracy.

I just wanted to commend this great innovation and to assure the new Members, that if they will just stay here long enough and be a Member of this House—the more progressive of the Houses of the Congress—they have a good chance of getting all their legislation enacted.

LEGISLATION PROVIDING FOR ACCELERATED DEPRECIATION

(Mr. REGULA asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. REGULA. Mr. Speaker, today I am introducing a bill to provide for accelerated depreciation.

The report released by the Joint Economic Committee on Monday of this week puts great emphasis on the need for an increase in productivity. The report states as follows:

> An increase in productivity is the key to improvement in our economic standard of living and to the reduction of inflation.

The Council of Economic Advisers in their 1978 report termed the productivity slowdown "one of the most significant economic problems in recent years."

In my judgment a substantial contributing factor to the slowdown in productivity is the growing lack of capital investment in modernization of our industrial economy.

The bill I am introducing today will allow a much faster recovery of capital by allowing a taxpayer to write off Government-mandated nonproductive equipment in 1 year, to depreciate the tools of manufacturing, production or extraction in 5 years and the structures used for production equipment in 10 years.

This week's report of the Joint Economic Committee supports legislation of this type by stating as follows:

> Inflation and tax provisions. Some of the provisions of the corporate income tax code which were designed in a noninflationary economy, act as a deterrent to investment in the current inflation. Depreciation allowances based on historical cost do not allow sufficient deductions to recover replacement costs.

> As for investment incentives, several are available. The corporate tax rate can be cut to increase the rate of return on all factors of production in a nondistorting fashion. Depreciation allowances can be speeded up or adjusted for actual replacement cost to offset the distortion created by inflation.

THE CARTER ADMINISTRATION'S $1 BILLION CUT IN HIGHWAY AND MASS TRANSIT FUNDING

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, the Carter administration is trying to pull another fast one. When they sent their supposedly lean austere budget to Congress, it cut about $1 billion out of the funding for highway and mass transit; and on the face of it, that looks like a fiscally responsible move. But when one digs deeper into the budget documents, another picture unfolds. Page 723 of the Carter budget shows that the balance in the highway trust fund at the end of fiscal year 1978 was $11.6 billion—money already collected from highway users on the promise that it would be used for transportation. But the administration, by cutting transportation funding, will actually increase the balance in the trust fund to $14.1 billion in fiscal year 1980.

So, Mr. Speaker, the Carter administration is attempting to fund their deficits in the general funds by not spending tax dollars already collected from highway users to improve America's transportation system.

Mr. Speaker, the American people have a right to know that their highway tax dollars already collected from them are being diverted and used to underwrite the Carter deficit in other unrelated areas.

□ 1215

INDIANA STATE HAS 33 WINS AND NO LOSSES

(Mr. MYERS of Indiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MYERS of Indiana. Mr. Speaker, last fall slightly more than 250 Division 1 members of collegiate basketball teams started playing. About 5 months later that number is down to six—two that will play tomorrow night in the National Invitational Tournament in New York City, and four this weekend in Salt Lake City. I am sure my colleagues in the House would like to be aware of the fact that three of those six are from Indiana and two of the six are from the congressional district I represent.

Tomorrow night the championship of the NIT will be decided between Indiana University whose district I represent and Purdue University whose district I surround. As of this date Indiana State, who boasts 33 wins and no losses, my alma mater, will be vying for the national championship in NCAA in Salt Lake City. I am sure my colleagues would like to have that information.

Mr. BRADEMAS. Mr. Speaker, will the gentleman yield?

Mr. MYERS of Indiana. I yield to my colleague, the gentleman from Notre Dame, who almost made it.

Mr. BRADEMAS. I thank my friend, the gentleman from Indiana, for yielding. I made some observations in the House yesterday on the same subject, and although it is not often that my colleague, the gentleman from Indiana (Mr. MYERS) and I find ourselves in agreement, this is one occasion on which, Mr. Speaker, I am delighted to associate myself with his remarks.

Mr. MYERS of Indiana. I thank the gentleman for his remarks.

I might add we hear a lot about other conferences here, but the NIT will be decided between two Big Ten teams, one from Indiana, and I am sure all of my colleagues would like to hear that.

Mr. Speaker, I yield back the remainder of my time.

SPECIAL ORDER TODAY TO DISCUSS BALANCED BUDGET CONSTITUTIONAL AMENDMENT ISSUE

(Mr. McCLORY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. McCLORY. Mr. Speaker, many of us would agree that the major domestic issue in the Congress this year is the subject of a balanced Federal budget. There are a number of constitutional amendments that have been proposed to call for a constitutional amendment to require a balanced Federal budget and to call for a limit on spending.

I am today introducing such a proposal, and I invite the attention of the Members to that proposed constitutional amendment. In addition, I am taking a special order this afternoon at the close of legislative business for a free going discussion on the subject of the balanced budget constitutional amendment issue. I hope that as many Members as possible will be on the floor to discuss in a broad range way that subject and any related to the principle of holding down Federal spending and putting the Government's fiscal house in order.

Mr. Speaker, I yield back to the remainder of my time.

SPECIAL COUNSEL PAUL J. CURRAN

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, this morning the United States Department of Justice announced the appointment of a special counsel, Paul J. Curran of New York, to investigate the dealings between the National Bank of Georgia and the Carter peanut warehouse. I applaud this step by the Department of Justice because it provides an independent review over these troubled financial dealings.

I have two concerns, however, that the special counsel's independence might be jeopardized. First of all, the charter given to Mr. Curran by the Department of Justice gives Mr. Curran no independent prosecutorial authority and, second, Mr. Curran is not protected from removal at will by the Department of Justice, I would hope that the Department of Justice will allow Mr. Curran to maintain an independence in the tradition of Special Prosecutors Cox and Jaworski. Should his independence be jeopardized in any way, I hope that the American public will express its outrage in an appropriate manner.

Mr. Speaker, I yield back the remainder of my time.

□ 1220

THE PRESIDENT'S COURAGEOUS BUDGETARY DECISIONS

(Mr. GLICKMAN asked and was given permission to extend his remarks at this point in the RECORD.)

Mr. GLICKMAN. Mr. Speaker, as we move ahead on the timetable provided under the Budget Act for the Congress to "work its will" on the President's budget proposals, I want to take a moment to compliment the President for making some courageous budgetary decisions and to urge each of my colleagues to recognize the importance of making some very tough decisions ourselves in the next few months.

I am quite sure that each and every one of us has our complaints about the President's budget. I know that after it was released, I issued a press release criticizing some of the priorities reflected in the budget. I still feel that way, but I do recognize that his decisions, just like ours, were not easy ones.

The budget rescission proposals the President sent to the Congress in late January and on which we acted recently were a good example of his willingness to make tough decisions. Those proposals included some cuts in programs viewed by many as "sacred." He proposed cuts in nursing programs, for an NIH laboratory, for career education funding. Those are the kinds of programs that the Congress has consistently supported and I am sure the President knew there would be angry Members of this body and in the Senate. I am sure he realized the administration could likely have a fight on its hands.

I am glad the President has shown the fortitude to scrutinize each line item of the budget, not feeling compelled to protect some from cuts just because they hold symbolic significance or just because they will anger a few of us. If we will not look at those "symbolic" programs, if we will not face up to special interests, we will never have a tight but effective budget.

I am sure I will not agree with every proposed cut the President makes, but I hope he continues to make these recommendations, in his budget messages and in rescission and deferral proposals. They make us give Federal programs the hard look they should be given. We need to cut wasteful and ineffective spending everywhere it exists within the Federal Government, and I commend the President for pursuing that end.

ANOTHER UNDERHANDED BETRAYAL OF NICARAGUA

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, it has now been revealed that the administration is taking steps to cut off further United States and foreign bank credit to Nicaragua, in an attempt to force its current Government into economic chaos or bankruptcy.

I cannot imagine a more calculated and underhanded further betrayal of a valued pro-U.S. country.

The administration has promoted all manner of credit and economic aid to nations that are cool or openly hostile to the United States.

Many of these nations are part of the Soviet imperialist drive for world domination.

The administration pulled out all the stops for U.S. credit and trade with Communist China, one of the most repressive regimes in our lifetime.

The administration's efforts to topple the Government of Nicaragua are reprehensible and immoral.

I hope that leaders in Congress and among our business and financial community will express their outrage at such action, which reflects so badly upon the integrity and faith of all the American people.

DISPENSING WITH CALL OF PRIVATE CALENDAR ON TODAY

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent to dispense with the call of the Private Calendar today.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 5 of rule I and clause 3 of rule XXVII, the Chair will now put the question on the motion to suspend the rules and the question on the adoption of the resolution; on which further proceedings were postponed on March 19, 1979, in the order in which that bill or resolution was considered.

Votes will be taken in the following order:

H.R. 1301, de novo; and

House Resolution 118, yeas and nays.

INTERNATIONAL SHIPMENT OF LOTTERY MATERIALS

The SPEAKER. The unfinished business is the question of suspending the rules and passing the bill, H.R. 1301.

The Clerk read the title of the bill.

The question is on the motion offered by the gentleman from California (Mr. DANIELSON) that the House suspend the rules and pass the bill, H.R. 1301.

The question was taken.

Mr. MOORHEAD of California. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 270, nays 140, not voting 22, as follows:

[Roll No. 42]

YEAS—270

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonker
Brademas
Brooks
Broomfield
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carney
Carr
Chisholm
Clay
Cleveland
Coelho
Coleman
Collins, Ill.
Conte
Corcoran
Corman
Cotter
Courter
D'Amours
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dickinson
Dicks
Dixon
Donnelly
Dougherty
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fisher
Fithian
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Giaimo
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gore
Gradison
Gramm
Gray
Green
Grisham
Guarini
Hagedorn
Hall, Ohio
Hamilton
Hammer-schmidt
Hanley
Harris
Hawkins
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jeffries
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kindness
Kostmayer
Kramer
LaFalce
Lederer
Lehman
Leland
Livingston
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McCormack
McDade
McHugh
McKinney
Maguire
Markey
Marlenee
Marriott
Matsui
Mavroules
Mazzoli
Michel
Mikulski
Mikva
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Moore
Moorhead, Pa.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Myers, Ind.
Myers, Pa.
Neal
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pepper
Perkins
Peyser
Price
Quayle
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Sawyer
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Shannon
Sharp
Shuster
Slack
Smith, Iowa
Snowe
Snyder
Solarz
Spellman
Stack
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Symms
Synar
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Waxman
Weiss
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Young, Mo.
Zablocki

NAYS—140

Archer
Ashbrook
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bennett
Bethune
Bouquard
Brinkley
Brodhead
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carter
Chappell
Cheney
Clausen
Clinger
Collins, Tex.
Conable
Conyers
Coughlin
Daniel, Dan
Daniel, R. W.
Dannemeyer
Devine
Dodd
Dornan
Duncan, Oreg.
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Fish
Flippo
Forsythe
Fountain
Gephardt
Gibbons
Ginn
Gonzalez
Grassley
Gudger
Guyer
Hall, Tex.
Hance
Hansen
Harkin
Harsha
Heckler
Hefner
Hightower
Holt
Hutto
Ichord
Jenkins
Kelly
Kemp
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Lloyd
Loeffler
Lott
McClory
McCloskey
McDonald
McEwen
McKay
Madigan
Martin
Mathis
Mattox
Mica
Montgomery
Moorhead, Calif.
Murtha
Natcher
Nedzi
Nelson
Pease
Pickle
Preyer
Pritchard
Pursell
Quillen
Regula
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Satterfield
Sebelius
Shelby
Shumway
Simon
Skelton
Smith, Nebr.
Solomon
Spence
St Germain
Staggers
Stangeland
Stenholm
Stump
Tauke
Taylor
Trible
Vanik
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NOT VOTING—22

Alexander
Ambro
Anderson, Ill.
Bonior
Bowen
Breaux
Cavanaugh
Crane, Daniel
Crane, Philip
Deckard
Diggs
Dingell
Ferraro
Flood
Hinson
Kogovsek
Leach, La.
Marks
Runnels
Santini
Stockman
Treen

□ 1240

The Clerk announced the following pairs:

On this vote:

Ms. Ferraro and Mr. Flood for, with Mr. Leach of Louisiana against.

Mr. Runnels and Mr. Dingell for, with Mr. Hinson against.

Until further notice:

Mr. Ambro with Mr. Daniel B. Crane.
Mr. Santini with Mr. Breaux.
Mr. Bonior of Michigan with Mr. Deckard.
Mr. Diggs with Mr. Philip M. Crane.
Mr. Alexander with Mr. Treen.
Mr. Bowen with Mr. Kogovsek.
Mr. Cavanaugh with Mr. Marks.
Mr. Anderson of Illinois with Mr. Stockman.

Messrs. SOLOMON, GONZALEZ, LEWIS, and GUDGER changed their vote from "yea" to "nay."

So (two-thirds not having voted in favor thereof) the motion was rejected.

The result of the vote was announced as above recorded.

ESTABLISHING A SELECT COMMITTEE ON COMMITTEES

The SPEAKER. The unfinished business is the question of agreeing to the resolution (H. Res. 118).

The Clerk read the title of the resolution.

The SPEAKER. The question is on the resolution (H. Res. 118), on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 208, nays 200, not voting 24, as follows:

[Roll No. 43]

YEAS—208

Addabbo
Akaka
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Bedell
Beilenson
Benjamin
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brooks
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Carr
Cheney
Chisholm
Clay
Cleveland
Coelho
Collins, Ill.
Corcoran
Corman
D'Amours
Danielson
de la Garza
Dellums
Derrick
Derwinski
Devine
Dicks
Diggs
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Frenzel
Frost
Garcia
Gephardt
Giaimo
Ginn
Gonzalez
Gore
Gray
Hall, Ohio
Hall, Tex.
Hamilton
Harkin
Harris
Hawkins
Heckler
Hefner
Hollenbeck
Holtzman
Horton
Howard
Huckaby
Hutto
Ireland
Jacobs
Jeffords
Johnson, Calif.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kazen
Kogovsek
Kostmayer
LaFalce
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCloskey
McCormack
McHugh
McKay
Maguire
Markey
Martin
Mathis
Matsui
Mattox
Mavroules
Mica
Mikulski
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Pa.
Nelson
Nowak
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Quillen
Ratchford
Reuss
Richmond
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Solarz
Spellman
Stack
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Tauke
Traxler
Udall
Van Deerlin
Vento
Volkmer
Walgren
Weaver
Weiss
Whitley
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NAYS—200

Abdnor
Albosta
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Bauman
Beard, R.I.
Beard, Tenn.
Bennett
Bereuter
Bethune
Bouquard
Brinkley
Broomfield
Brown, Ohio
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Chappell
Clausen
Clinger
Coleman
Collins, Tex.
Conable
Conte
Cotter
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Dickinson
Dornan
Dougherty
Duncan, Tenn.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Findley
Fish
Forsythe
Fountain
Fowler
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hammer-schmidt
Hance
Hanley
Hansen
Harsha
Heftel
Hightower
Hillis
Holland
Holt
Hopkins
Hubbard
Hughes
Hyde

Ichord	Moore	Slack
Jeffries	Moorhead, Calif.	Smith, Nebr.
Jenkins	Mottl	Snowe
Jenrette	Myers, Ind.	Snyder
Johnson, Colo.	Natcher	Solomon
Jones, Okla.	Neal	Spence
Kelly	Nedzi	St Germain
Kemp	Nichols	Staggers
Kildee	O'Brien	Stangeland
Kindness	Oakar	Stanton
Kramer	Panetta	Stenholm
Lagomarsino	Pashayan	Stratton
Latta	Paul	Stump
Leach, Iowa	Pickle	Symms
Leath, Tex.	Pritchard	Taylor
Lederer	Pursell	Thomas
Lee	Quayle	Thompson
Lent	Rahall	Trible
Levitas	Railsback	Ullman
Lewis	Rangel	Vander Jagt
Livingston	Regula	Vanik
Loeffler	Rhodes	Walker
Lujan	Rinaldo	Wampler
Lungren	Ritter	Watkins
McClory	Roberts	Waxman
McDade	Robinson	White
McDonald	Roth	Whitehurst
McEwen	Rousselot	Whittaker
McKinney	Roybal	Whitten
Madigan	Rudd	Williams, Ohio
Marlenee	Satterfield	Wilson, C. H.
Marriott	Schulze	Winn
Mazzoli	Sebelius	Wydler
Michel	Sensenbrenner	Wylie
Miller, Ohio	Shelby	Yatron
Mitchell, N.Y.	Shumway	Young, Alaska
Mollohan	Shuster	Young, Fla.
Montgomery		

NOT VOTING—24

Alexander	Coughlin	Hinson
Ambro	Crane, Daniel	Leach, La.
Anderson, Ill.	Crane, Philip	Marks
Boggs	Deckard	Miller, Calif.
Bowen	Dingell	Nolan
Breaux	Fenwick	Runnels
Cavanaugh	Ferraro	Stockman
Conyers	Flood	Treen

□ 1255

Mr. ENGLISH and Mr. DICKINSON changed their vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

COUNCIL ON WAGE AND PRICE STABILITY EXTENSION

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 156 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 156

Resolution providing for the consideration of the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1981, and for other purposes

Resolved, That upon the adoption of this resolution it shall be in order to move, sections 402(a) and 303(a)(4) of the Congressional Budget Act of 1974 (Public Law 93-344) to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such Act to September 30, 1981, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance and Urban Affairs, the bill shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER. The gentleman from South Carolina (Mr. DERRICK) is recognized for 1 hour.

Mr. DERRICK. Mr. Speaker, I yield 30 minutes to the gentleman from Maryland (Mr. BAUMAN) for purposes of debate only, pending which I yield myself such time as I may consume.

□ 1300

Mr. Speaker, House Resolution 156 provides for the consideration of H.R. 2283 to extend the Council on Wage and Price Stability Act as amended.

This is an open rule providing for 1 hour of general debate with the time to be equally divided and controlled by the chairman and ranking minority member of the Committee on Banking, Finance, and Urban Affairs. The resolution also provides for one motion to recommit.

House Resolution 156 provides for waivers of sections 303(a)(4) and 402(a) of the Congressional Budget Act in order for the bill to be considered.

Section 303(a)(4) states that it shall not be in order to consider any bill which provides new entitlement authority for a fiscal year until the first concurrent resolution of the budget for that fiscal year has been adopted. Section 3 of the bill would extend the existing authorities of the Council on Wage and Price Stability from September 30, 1979, to September 30, 1981, including entitlement authority contained in section 2(c) or (g) of the original legislation, as amended. The Committee on Banking, Finance and Urban Affairs has advised the Rules Committee that the committee will offer a floor amendment to limit payments made pursuant to the bill until the appropriation legislation is enacted. Section 402(a) of the budget act provides that it shall not be in order to consider any bill which authorizes the enactment of new budget authority for a fiscal year unless that bill has been reported on or before May 15 preceding the beginning on such fiscal year. Section 2 of the bill would authorize the enactment of additional new budget authority for fiscal year 1979. The Budget Committee has concluded that this supplemental authorization satisfied the emergency standards embodied in section 402 of the Budget Act and has indicated their support for the waiver.

H.R. 2283 extends the authority granted by the Council on Wage and Price Stability Act to September 30, 1981; authorizes appropriations of $8.483 million for fiscal years 1980 and 1981; and requests a suppemental appropriation for this fiscal year of $4.752 million. I would like to point out that the prohibition against mandatory controls in section 3(b) of the act is still intact.

Mr. Speaker, I urge my colleagues to adopt House Resolution 156 so that we may proceed to the consideration of H.R. 2283.

Mr. BAUMAN. Mr. Speaker, the rule before us has been adequately described by my distinguished colleague from South Carolina. It is an open rule that permits the House to work its will. It has a few minor details to reflect the thinking of our new chairman of the Committee on Rules such as not permitting the minority to offer a motion to recommit with or without instructions. That is neither here nor there because we do not have the votes in the Committee on Rules to change things like that.

I do think the bill itself merits some comment. Only in the wonderland that is the Congress of the United States could we possibly think we are addressing the problem of inflation by not only extending for 2 years an agency that is virtually useless and ought to be abolished but by increasing its budget by 300 percent to $8.48 million per fiscal year and its staff from 39 permanent employees to 233.

□ 1305

This is the typical way in which the Congress of the United States addresses important issues such as inflation. Those figures do not even square with Jimmy Carter's inflation guidelines which are revised periodically, as we all know.

It is amazing to me that we in the Congress, having been here for 2½ months dealing with the problem of inflation, have repeatedly addressed the issue, twice having voted on the national debt and twice having voted against adopting a method to balance the budget. So it would seem that our liberal brethren would at least have the self-discipline to think before they come before us today with this sham, this fraud, this band-aid on a major blow-out that does nothing about inflation.

Here we are with a 9- or 10-percent annual inflation rate, just about half what they have in Great Britain, which should give us absolutely no comfort at all, and the suggested answer is to multiply the number of employees, increase the budget 300 percent and expand this needless agency. And they think it is going to take care of everything.

Mrs. FENWICK. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to my distinguished and eloquent colleague, the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Speaker, I am very much interested in the figure of $846 million, if that is the sum I think the gentleman quoted.

Mr. BAUMAN. The figure is $8.46 million.

Mrs. FENWICK. Is it $8.46 million?

Mr. BAUMAN. Yes, that is right.

Mrs. FENWICK. What are they doing with it? How is it spent?

Mr. BAUMAN. That will be addressed in detail by my colleagues on the Committee on Banking, Finance and Urban Affairs, which has the jurisdiction. But a great deal of it will go to pay the salaries of the almost 200 new employees added to the staff. It has also been proposed that it will be spent on holding hearings around the country, hearings that will be held so the public can come in and comment on inflation and finger the real culprits of inflation, presumably big business, big labor, and maybe even big government.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

Has there been any explanation as to what these employees are going to do?

Mr. BAUMAN. I would yield to the gentleman from Florida (Mr. KELLY), who may have some idea about that. I suspect we are going to do more of the same kind of dramatic breast-beating that the "big banana," Mr. Cahn, has been indulging in.

Mr. ROUSSELOT. In other words, it is an inflation of words, but there is no real curb?

Mr. BAUMAN. No, there is no real check on inflation provided in this bill, it will only add more.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for yielding.

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Speaker, I rise in opposition to H.R. 2283 because a further extension of the Council on Wage and Price Stability will serve no useful purpose other than shifting the blame for inflation from our Government's fiscal and monetary policies—where it really belongs—to the private sector which is the chief victim of inflation.

We should vote against the bill because the Council has failed miserably to accomplish the purposes for which it was created. Congress made the Council responsible for monitoring and analyzing inflationary activities throughout the economy. However, throughout the history of hearings on the Council on Wage and Price Stability there has been no testimony that the agency has done anything that has reduced inflation. To the contrary, the annual inflation rate is 6.5 percent higher today than in October 1977, when we last voted to extend the Council on Wage and Price Stability.

By voting to extend the Council for another 2 years, at authorization levels 300 percent higher than the current limits, we will be unleashing on the workers and businesses of America a program of "volunteer" wage price standards that are voluntary in name only, arbitrary, unfair and burdensome on the most productive sector of our economy.

The administration's wage and price guidelines are a diversionary tactic, a smokescreen, to cause the public to think that they are responsible for inflation when it is caused by excessive Government deficits and spending. Labor and business are relatively minor contributors to inflation, compared to Government. Labor and business are productive. Government is not.

Alfred Kahn, the Nation's top inflation fighter, himself acknowledged that disproportionally greater inflation had taken place in the costs of five basic necessities—food, energy, housing, health and transportation—"because, in large measure, the problems in these areas arise out of existing government regulation."

Inflation induced by governmental actions pervades every facet of this country's economic life. I would like to list just a few examples:

First. Excessive Federal Government deficits financed by excessive taxing and borrowing. Our long-term debt and contingent obligations now exceed $7 trillion dollars. Our "austerity" budget of 1980 actually represents a $38.2 billion increase over the previous year.

Second. Costly Federal regulations which increase the cost of doing business by $100 billion annually.

Third. Taxes that discourage productivity-increasing investment in research and development.

Fourth. Increases in social security taxes which are now taking more from the taxpayers than they can ever hope to get back.

Fifth. Increases is federally imposed minimum wages. The most recent jump was 9.3 percent. This is both inflationary and will cause those who can afford it least to lose jobs: the young, the poor, and the unskilled.

Sixth. Increases in Federal farm price supports.

Seventh. Unemployment insurance taxes.

Eighth. Workmen's compensation increases.

Ninth. Government waste arising out of duplication, bureaucratic bungling, corruption, and fraud.

Tenth. A welfare system that is costing billions and encouraging millions of Americans to settle into permanent dependency on the dole.

Eleventh. Urban development programs that create instant slums and isolate the poor in Government-subsidized ghettos.

Twelfth. Davis-Bacon Act requirements that mandate prevailing union wage scales on federally funded construction projects.

Any benefits that could be derived from compliance with the current "voluntary" wage and price guidelines pale in comparison with the good that would ensue if our inflation watchdog agency addressed itself more to curing Government-caused inflation.

The very existence of COWPS, given its current task of securing compliance with the administration's wage price guidelines, stands as a threat to employer and employee of a mandatory controls program. Mandatory controls have been tried in the past and they were dismal failures. They threaten our free economy because they intervene in the decisions that must be made in the marketplace.

The current crop of "voluntary" guidelines allow politicians to dictate wage and price policies to workers and businesses in America. The built-in sanctions permit Government agencies to harass and intimidate people and businesses into compliance. The "voluntary" program with it costly reporting requirements and an expanding monitoring bureaucracy has all the hallmarks of a mandatory wage and price control program.

These controls will, at best, bring some short term slowing in the rate of increases in prices and wages in some areas. But no Government entity, however large, can adequately control or monitor the millions of market decisions that shape the wage-price policies of individual businesses.

At worst, the "voluntary" guidelines will pave the way for comprehensive controls which will straitjacket our economy, delaying, perhaps indefinitely, the capital investment decisions that need to be made now to restore our competitiveness in the world markets.

Controls requiring another layer of wasteful form filling will add to the cost of doing business without increasing productivity. They may lead to shortages and lower product quality without making a significant dent in the cost of living for American consumers.

I will not support an extension of COWPS at the higher funding levels because it has turned away from the task of ferreting out and dealing with the real causes of inflation. What the Council is doing now is pointing the barrel at the victim while the real culprit in the inflation war is allowed to operate unimpeded.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I will ask, will the gentleman from Florida (Mr. KELLY), who is always very articulate on this subject, tell us what these new staff people are going to do to stop inflation. Was that explained to the committee?

Mr. KELLY. Mr. Speaker, if the gentleman will yield, it was; yes.

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. KELLY. I thank the gentleman for yielding.

Mr. Speaker, it was explained in detail that the additional 200 members of the staff would administer the illegal portion of the voluntary wage and price guidelines.

Mr. ROUSSELOT. The illegal portion?

Mr. KELLY. Yes.

Mr. ROUSSELOT. What does that mean?

Mr. KELLY. Well, it means that the General Accounting Office has said that the voluntary wage and price guidelines are illegal because there is no lawful basis for the President to have propounded the program, and the additional 200 people on the staff are to administer that portion of the President's voluntary wage and price controls.

Mr. ROUSSELOT. So they will be engaged in illegal work?

Mr. KELLY. According to the General Accounting Office.

Mr. BAUMAN. Mr. Speaker, that was one point the gentleman from Maryland missed mentioning, that this enormous spending increase will go for illegal, unauthorized activities which are now being challenged in court by a number of the Members of Congress. But other

than that, the bill is paid to have some merit by its supporters.

Mr. ROUSSELOT. So, if the gentleman will yield further, it would not hurt for us to vote down the rule?

Mr. BAUMAN. Yes, that would be a good start, to send a message to the leadership that we are not going to even debate or consider nonsense of this nature.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Idaho.

Mr. SYMMS. Mr. Speaker, I thank the gentleman for yielding.

I was wondering if the gentleman from Florida (Mr. KELLY) will help refresh my memory. It seems to me that the United States just recently went through a bad experience, finding out the hard way that wage and price controls do not work, and that it is just like putting a little soup on the back burner and turning the stove up underneath.

Is inflation not caused by the printing presses down here at 14th and Independence Avenue?

Mr. KELLY. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Speaker, the testimony of the chairman of the Council on Wage and Price Stability was that in the last 10 years the monetary and fiscal policy of the Government was the principal cause of inflation and the distortion of the American economy.

Mr. SYMMS. In other words, the volumetric expansion of the money supply by the fiscal and monetary policies of the United States is what causes inflation, in other words, the printing presses and expanding credit?

Mr. KELLY. Mr. Speaker, if the gentleman will yield further, this statement by the gentleman is supported by the testimony before the committee.

□ 1310

Mr. SYMMS. Mr. Speaker, I thank the gentleman very much.

If the gentleman will yield further, I think what we are really doing here is putting vaseline on a cancer, to give false hopes to the people out here that somehow some voluntary wage and price committee can somehow talk prices down, when actually rising prices are no more than the end product of inflation.

So it looks to me that we could start off here today by just voting this rule down and save $8 million; is that correct?

Mr. BAUMAN. It would be a step toward saving some small amount, an easing of the taxpayers' pain.

Mr. SYMMS. $8 million. And turn those people on the Price Stability Board out to some place where they might seek some gainful employment and get an understanding of this.

Mr. BAUMAN. The gentleman understands the liberal thinking in Washington that when you want to solve a problem you form a commission.

Mr. KELLY. Mr. Speaker, if the gentleman will yield, I think the answer is a little more than $2 million to $8 million per year. And this is an extension for a period of time of 2 years. So, the gentleman's figure of $8 million is very conservative. Did the gentleman intend to be conservative?

Mr. SYMMS. If the gentleman will yield, I would just as soon get rid of this whole program. It is a farce, it is a masquerade, it is a charade, as the gentleman from Maryland pointed out. We know that wage and price controls do not work. The President of the United States himself just returned from Camp David last evening and said he wanted no mandatory wage and price controls. He is asking to get wage and price controls if he does not get rid of this potential poisonous rattlesnake while it is in the embryo stage. It looks to me that the smart thing to do would be to smash it right now and get rid of it and get rid of the idea, and stop inflation by correcting the irresponsible monetary and fiscal policies of the U.S. Government that originate here in this Chamber.

Mr. BAUMAN. The gentleman has, as usual, provided a vivid example of Western American thinking that aptly describes the situation.

Mr. CAMPBELL. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from South Carolina.

Mr. CAMPBELL. I thank the gentleman for yielding.

Mr. Speaker, am I also to understand that this bill contains a provision which will encourage voluntary reporting by vigilante-type groups in this country, to make sure that we have "voluntary compliance" with the edicts of the council.

Mr. BAUMAN. It is my understanding that there will be an attempt made to embody that sort of vigilante approach. I think the sponsors thought this method would serve to turn in the offenders who are causing inflation. One might find the Congress collectively served with a summons if this were the case.

Mr. CAMPBELL. It is not unreasonable to assume that if we create these public interest groups, that they will go out and grind their axes against whomever they choose to grind them against, and that this $8 million might not be enough for this Council to process these complaints which will increase the workload that is placed upon the council in this effort to have "voluntary wage and price control".

Mr. BAUMAN. I am sure the resulting blizzard of paperwork will make the winter of 1979 look slight by comparison. This agency has the possibility of becoming an economic OSHA, with all of the attendant problems.

Mr. DERRICK. Mr. Speaker, does the gentleman from Maryland (Mr. BAUMAN) have requests for further time?

Mr. BAUMAN. No, I do not, Mr. Speaker.

Mr. DERRICK. Mr. Speaker, the people of this country recognize the No. 1 domestic issue as being inflation. We can stand here today and argue about what we are going to do and what we are not going to do. But what we are doing with this legislation, that this rule provides for, is to take a positive step in the right direction.

What are the alternatives? The alternatives are to do nothing, which, I gather, is what the gentlemen on the other side of the aisle propose or to establish mandatory wage and price controls. After all, we tried that back in the early 1970's, and we know that mandatory controls do not work.

The voluntary wage and price standards program thus seems to me to be the best and only truly viable alternative we have before us.

Mr. SYMMS. Mr. Speaker, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Idaho.

Mr. SYMMS. I thank the gentleman for yielding.

Mr. Speaker, I do not think that the choice is to do nothing, as the gentleman states it. I think the question here is: Do we want to have this charade of a board here? Do we want to have this Council? Or do we really want to get to the root of the cause of inflation?

□ 1315

This council is just going to stimulate more inflation, because we have to pay more Government employees with printing-press dollars. That would arrest you in Idaho if you counterfeited money the way the U.S. Government does it. Counterfeiting is in the Constitution as illegal, but all we are doing here is adding all this $800 million or whatever dollars, and making a blizzard of paperwork.

As the gentleman from Maryland points out, the alternative to this is, let us put our own house in order and balance the Federal budget this year. That is what the American taxpayers are crying for. They do not want wage and price controls. There are many things Congress could do. We could deregulate large segments of industry in this country so that competition could come in and compete in the marketplace and drive prices down in the competitive spirit of the volunteer marketplace.

All this is going to do is have the Government go out and threaten industries, threaten labor unions, threaten different segments of our economy with the threat of wage and price controls. If anything, it will cause prices to go up because people will decide that they had better make their decisions early in anticipation of the day wage and price controls will come on, so they think that while there are no teeth in this, they had better raise prices now to get ahead of it.

So, this is a self-defeating piece of legislation which actually destroys the goal it sets out to do. The gentleman's goal is very noble, to control inflation, but a voluntary wage and price board is going to increase price inflation, which is a result of monetary inflation because the people, seeing the price in the marketplace, will have the idea that it looks like the Congress is getting ready to place wage and price controls, so, "let's get ahead and raise the cost."

So, I would advise the Members of the House to vote this thing down, and they will be doing something to help inflation.

Mr. DERRICK. I appreciate the gentleman's remarks. I would like to say that I credit the American people with

reasonably pure motives, and I think they are looking for some direction from this Congress and some direction from this Government, for leadership. Direction and leadership are what we are about to get here this afternoon. We can talk and talk and do nothing, or adopt some drastic program which will not cure the problem and may lead to recession or chronically high unemployment, or we can adopt the legislation that is here before the Congress which provides sound and sensible leadership in the area of inflation.

Mr. SYMMS. How about stopping the expanding of the money supply by voting to balance the budget? We can do that any time we want to.

Mr. DERRICK. If you people over there will leave us alone long enough, we will get the balanced budget.

Mr. WYLIE. Mr. Speaker, will the gentleman yield?

Mr. DERRICK. I yield to the gentleman from Ohio.

Mr. WYLIE. I thank the gentleman for yielding. I will say that I listened to some of the testimony as a member of the Banking Committee, and when I came here today I was inclined to vote for the rule if we do have a vote on the rule, but now, after listening to debate, I am inclined to say, that my first visceral reaction when I heard the President's message about his volunteer wage and price control was correct, that he had indeed placed the emphasis on the wrong syllable.

Instead of voluntary wage and price controls which are not going to work—and I said that at the time because George Meany would not go for that, and he has not; and they are very cosmetic at best—it seems to me that if the President wanted to do something really dramatic to stabilize the American dollar abroad and to bring inflation under control, he could have sent us a balanced budget. Then, we would have started at square one with a balanced budget. And, if we in Congress found that we could not adopt a balanced budget, we could have voted spending programs which would have put the budget out of balance as an emergency measure. We would then have to state the case for voting a budget deficit as a matter of economic necessity and fiscal responsibility. I do not believe we are going to be able to balance the budget this year. I think, being realistic, we are not going to be able to complete the job this year. But if the President had really wanted to propose an effective alternative, this is such an alternative.

He could have sent us a balanced budget and said, "This is where we start." It would have been dramatic notice to the world that we do intend to do something about inflation, and I think other countries would have responded. So, I think on reflection that we probably should vote this rule down and the bill back to the Banking Committee for more work.

Mr. DERRICK. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. SYMMS. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 305, nays 102, not voting 25, as follows:

[Roll No. 44]

YEAS—305

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clausen
Clay
Cleveland
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Daschle
Davis, S.C.
Dellums
Derrick
Dicks
Diggs
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
English
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gilman
Ginn
Glickman
Gonzalez
Gore
Gradison
Gray
Green
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hamilton
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hillis
Holland
Hollenbeck
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kazen
Kildee
Kostmayer
LaFalce
Lederer
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McClory
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marlenee
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Shannon
Sharp
Shelby
Simon
Skelton
Slack
Smith, Nebr.
Snyder
Solarz
Spellman
St Germain
Staggers
Stanton
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wyatt
Wydler
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—102

Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Bethune
Brown, Ohio
Burgener
Butler
Campbell
Carney
Cheney
Clinger
Coleman
Collins, Tex.
Coughlin
Courter
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Emery
Erdahl
Erlenborn
Forsythe
Gaydos
Gibbons
Gingrich
Goldwater
Goodling
Gramm
Grassley
Grisham
Guyer
Hammer-schmidt
Hance
Hansen
Harsha
Hightower
Hinson
Holt
Hopkins
Ichord
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McDade
McDonald
Marriott
Miller, Ohio
Moorhead, Calif.
Murphy, Pa.
Pashayan
Paul
Regula
Ritter
Robinson
Roth
Rousselot
Rudd
Satterfield
Sensenbrenner
Shumway
Shuster
Smith, Iowa
Snowe
Solomon
Spence
Stack
Stangeland
Stenholm
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walker
Whitehurst
Whittaker
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—25

Alexander
Ambro
Anderson, Ill.
Breaux
Burton, John
Crane, Daniel
Crane, Philip
Deckard
Dingell
Ferraro
Flood
Ford, Mich.
Hagedorn
Horton
Kogovsek
Leach, La.
Lent
Madigan
Marks
Moffett
Nolan
Runnels
Stockman
Treen
Wright

□ 1335

The Clerk announced the following pairs:

Mr. Leach of Louisiana with Mr. Anderson of Illinois.
Ms. Ferraro with Mr. Philip M. Crane.
Mr. Ford of Michigan with Mr. Horton.
Mr. Dingell with Mr. Treen.
Mr. John L. Burton with Mr. Hagedorn.
Mr. Breaux with Mr. Daniel B. Crane.
Mr. Alexander with Mr. Deckard.
Mr. Flood with Mr. Stockman.
Mr. Runnels with Mr. Marks.
Mr. Nolan with Mr. Lent.
Mr. Wright with Mr. Madigan.
Mr. Ambro with Mr. Moffett.

Mr. VANIK changed his vote from "nay" to "yea."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 2283) to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes.

The SPEAKER pro tempore (Mrs. SCHROEDER). The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill H.R. 2283, with Mr. DERRICK in the chair.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill will be dispensed with.

Under the rule, the gentleman from Pennsylvania (Mr. MOORHEAD) will be recognized for 30 minutes, and the gentleman from Connecticut (Mr. MCKINNEY) will be recognized for 30 minutes.

The Chair now recognizes the gentleman from Pennsylvania (Mr. MOORHEAD).

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield myself 6 minutes.

Mr. Chairman, taken by itself the legislation before us is simple and straightforward.It extends the life of the Council on Wage and Price Stability for 2 years, to September 30, 1981, and increases the agency's dollar authorization for the current fiscal year and the next 2 fiscal years. The increases, as we all know, is to permit an expansion of the staff of this small agency so that COWPS can monitor the new program of nonmandatory price and wage standards announced by the President last October. Let me note that the planned staff of slightly over 230—233 to be exact—is far smaller than the thousands that were necessary to enforce mandatory wage and price controls in earlier periods.

While the legislation itself is simple, we cannot debate it in a vacuum. We must inevitably render some kind of judgment on the experimental price and wage program which is now being administered by COWPS. Let me share with the Committee a few of my thoughts on that program.

First, and probably foremost, none of us is claiming that this price-wage program is going to defeat inflation all by itself. We do not even claim it will produce an early and major reduction in the rate of inflation though it should help. The reason for this program is not that it is a miracle cure for inflation but that it is an important backup to the more traditional tools of fiscal and monetary restraint, at a time when inflation has acquired a powerful momentum of its own.

We know from the experience of the 1974–75 recession that a severe restriction of demand can produce high unemployment without coming close to eliminating inflation. A multitude of private and Government studies have concluded that it would take years of painfully high unemployment and subpar operation of the economy to wring out the inflation, if something in addition to fiscal and monetary policy is not employed. This program of wage and price restraint is the added tool, which seeks to tackle the momentum aspect of inflation. The tool is of no use if fiscal and monetary policy are too expansionary, but they are not. They are both aimed at moderating demand with the explicit purpose of checking the inflation. The program administered by COWPS is designed to make monetary and fiscal policy work better and more quickly, not replace them.

Second, Mr. Chairman, I think we should recognize the frankly experimental nature of this program. In the past we have had detailed, mandatory controls on several occasions—and we all know their many drawbacks—and we have had one period, 1962–66, of very general voluntary "guidelines" for wages and prices. But we have never before had a nonmandatory program that is rather detailed and elaborate. It is sufficiently precise so that price or wage behavior can be judged as in compliance or not in compliance, but no one can go to jail or be fined for failure to comply. We simply do not know yet how this experiment will work. The early evidence is mixed and certainly is not conclusive. A large majority of the Banking Committee—the vote was 29 to 10—concluded that this was an experiment worth trying, to help solve this baffling, elusive problem of inflation. We all know that there exists in parts of the economy private power to set prices or wages almost independently of the state of supply and demand. This is the power that makes momentum inflation possible—an inflation that is not in the classical textbooks. We have to try to deal with it, and I think this program is a promising effort to do so.

Next Mr. Chairman, let me make quite clear what this program cannot do. This is most important in the context of very recent developments on the inflation front. A program of this kind cannot control the prices of raw agricultural products, such as the price of beef (and I might add parenthetically that mandatory controls could not, either). It obviously cannot control world oil prices. It cannot control the exchange rate of the dollar, and thus the cost of imports. It cannot control interest rates. It cannot control prices of metals and other raw products, established in world markets. And once again I might add, neither can mandatory controls stop prices like these from rising.

As it happens, Mr. Chairman, our price indexes—and our real cost of living—are being influenced in a big way and a bad way right now by these very prices. Some of them enter directly into the cost of the necessities of life—food, housing, energy, and medical care. These sectors themselves are not exempt from the program—profit margins and markups in the whole food chain after the products leave the farm are covered, for example—but some raw components of these prices are necessarily exempt. Thus we have a paradox: This program could achieve total compliance and yet, in the short run at least, inflation could still get worse. But that does not render this program useless. In the longer run, the basic price-wage spiral remains a very crucial element in the inflation problem, and this program does endeavor to deal with that. The news will not always and inevitably be bad in the prices we cannot deal with through a program of this kind; but when the news turns better on that front, we will still have the momentum inflation unless we try to do something about it.

We on the Banking Committee naturally have some reservations about the program, which we have spelled out in the committee report—particularly the danger that it may bear down harder on wages than on prices. But despite these reservations, we feel this experimental program deserves a real chance to show what it can do. A vote against this bill amounts to throwing up your hands in despair—or else putting all your chips on a very restrictive fiscal and monetary policy with all of the accompanying risks of recession or worse. To me the choice seems very clear.

Mr. MCKINNEY. Mr. Chairman, I yield myself such time as I may consume.

□ 1345

Mr. Chairman, it is very pleasant for me to return to this House. There was a time when I questioned whether I would return or not. I must say that it was something of a cultural shock to get off of the train from Florida in the morning, with my bag of oranges in one hand, and now find myself on the floor of the House of Representatives with another bag altogether in the other hand. But it is nice to be back.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. I thank the gentleman for yielding.

Mr. Chairman, I want to say that I think the entire House welcomes the gentleman from Connecticut (Mr. MCKINNEY) back, no one more so than the chairman of the committee on which the gentleman serves as ranking minority member.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. MCKINNEY. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding.

Mr. Chairman, may I say to my colleague, the gentleman from Connecticut (Mr. MCKINNEY), how delighted I am to see him back in the House, serving his constituency and all of the people of

Connecticut as well as he does, and it is a real pleasure to have the gentleman back so hale, hearty and welcome.

Mr. McKINNEY. I thank the dean of the congressional delegation from the State of Connecticut in the House of Representatives, who, by the way, took his own time and his own money and lost a little sleep and stood in the airport for quite a long time to fly up to Connecticut to make me legitimately a Member of the 96th Congress. I thank the gentleman for that.

Mr. RATCHFORD. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I am delighted to yield to the former speaker of the house for the State of Connecticut, with whom I served as a minority member.

Mr. RATCHFORD. Mr. Chairman, I wish to simply say that my education down here has been vastly lacking because it has been totally partisan. I wish to welcome back a Member who has given a bipartisan flavor to the Connecticut General Assembly, and I hope the gentleman will find time in his schedule to see to it that the newest Member of the Connecticut Delegation is not cast in a total partisan tone. Welcome back. It is great to see you here.

Mr. McKINNEY. I thank the former speaker of the house of the State of Connecticut. I would say to my good friend, the gentleman from Connecticut (Mr. RATCHFORD), that in those days we had nowhere to go but the State House and the State of Connecticut. I think the State did it, and I hope we can do it on the bipartisan issue today.

As I said before, the world sort of watches this body. It is fascinating, to me, because in the last few months I have not been a captive of the Washington Post or the New York Times. I have had a little time with the Tampa Tribune, I have driven through the State of my good friend from Florida, through a town called Zephyrhills, I have read many local newspapers in Connecticut, and I have seen a whole group of people outside of what we call the international press looking at the Congress and saying: "What are you going to do about inflation in this country?" And it is interesting to note that there have been times in these last 3 months when I have wanted to hide my head and say not that I was a Congressman of the United States, when I saw lettuce at $1.10 a head, but, rather, that I was just someone else coping with inflation.

This agency we are going to vote on today is the only agency that the Members in this House or the President of the United States has given the mandate to control inflation to. Congress today has its first opportunity to demonstrate that we share a concern about inflation.

Mr. Chairman, as I return to active duty in the House, what better baptism of fire would I have than the fight to extend the Council on Wage and Price Stability, the Government's only agency mandated to fight inflation. If I am going to get invloved in the issues, there is no better place to start than with the primary concern of most Americans—inflation.

Congress today has the opportunity to demonstrate to the public that we share that concern. The bill before us, H.R. 2283, would extend the life of this Council until 1981 and would increase the authorization level during that period. There is also a committee amendment to the bill which I oppose as an unnecesary piece of legislation, but otherwise I am in support of H.R. 2283.

Any voluntary, anti-inflationary program depends on cooperation among the basic components: business, labor and Government. There is a natural element of distrust between business and labor in such a program. This can only be allayed by our demonstration that the Government means to make its part of the program work. Passage of this legislation will get the point across that Congress intends to do something about inflation: Defeat of this legislation will indicate that it is business as usual, take what you can. It should be obvious to us what road we want to follow.

I am a strong supporter of the Council on Wage and Price Stability. I appreciate the outspokenness of its Chairman, Alfred Kahn, and its Director, Barry Bosworth. These gentlemen realize that the credibility of their agency rests on the forthrightness of their statements and I have never known them to hedge, even when talking about Mr. Kahn's "bananas and kumquats." By being an advocate of the Council on Wage and Price Stability I am saying that I support the role of the Federal Government in addressing the inflation problem that confronts our country. A program based on voluntary participation from the private sector must also have some input from the public sector.

The Council on Wage and Price Stability is charged by Congress with the monitoring of the private and public sectors. The testimony heard by the Economic Stabilization Subcommittee says that a substantial portion of the recent inflation is attributable to governmental actions. Obviously not all of these actions are in the regulatory area; many of the accusations are leveled at legislative actions for which Congress must take the blame. But if the Council pursues its congressional mandate, and the charge given to it by the President under recent Executive orders, more emphasis can be given to the role that the Government plays in mandating inflationary increases throughout the economy.

Today the ball is in our court. Congress can find a way to duck the issue; it has in the past. Or it can confront reality and vote to extend the Council on Wage and Price Stability as an expression of our commitment to reduce inflation. The American people, and the rest of the world, are waiting to see if we have any convictions. How we vote on this legislation can have a lasting impact on how our constituents, and the world community, view the U.S. Government's anti-inflation policy. I think we must support this legislation to demonstrate the willingness of our Government to cooperate with the private sector, both labor and business, in beating back inflation.

□ 1350

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I will be delighted to yield to my colleague from Ohio.

Mr. STANTON. Mr. Chairman, I appreciate my colleague from Connecticut yielding.

Mr. Chairman, I rise in support of H.R. 2283, which extends the life of the Council on Wage and Price Stability for another 2 years. This legislation also provides for an increase in the Council's authorization for the remainder of fiscal 1979 and for fiscal years 1980 and 1981. Quite frankly, those budget increases concern me, and they will most likely be the target of some amendments offered by the minority. I urge my colleagues on the majority side to listen to the arguments and remember that the American people do not want more Government and they want us to hold down the level of Government spending.

Above all, the people of our Nation do want less inflation. To achieve that goal, we, the Congress of the United States, must do what we can to restore public confidence in our Government's ability to deal with inflation. The Council on Wage and Price Stability plays a key role in demonstrating that a basic strategy to reduce inflation exists.

If we are to gain the cooperation of business and labor in meeting this challenge, the Federal Government needs to show its resolve through firm leadership. When Congress extended this Council in 1977, the minority views of the committee report asked for a greater show of support from the administration for COWPS' monitoring role. President Carter has responded by giving the Council additional visibility and increased responsibilities in his anti-inflationary program.

I would like to urge that the Council not concentrate its efforts on the private sector's actions. There is a statutory responsibility for the Council to monitor the Government process and to focus public attention on those Federal actions it considers inflationary. Testimony from all of the witnesses who appeared before the Economic Stabilization Subcommittee supports the charge that the Federal Government, through administrative and legislative actions, is a major contributor to inflation. COWPS has been reviewing proposed regulatory actions and commenting on their potential inflationary impact: This is their mandated role. No one is asking for the Council to have authority to block or to delay these rules, but we do feel that the President should be aware of both sides of the argument before implementing new standards. In the same vein, Congress should be giving closer attention to the cost impact of new legislative programs. If inflation is the No. 1 concern of the American people, then finding a means of reducing it should be our primary objective.

The Council on Wage and Price Stability is not going to win the battle by itself. But it does demonstrate a commitment by the Government to deal with the problem. For COWPS to be effective it should meet its mandate to monitor the public and private sectors and publicize inflationary actions. It should not be saddled with additional burdens that will dilute its effectiveness, such as the committee amendment authorizes, and inflate its budget requirements. The committee amendment represents unnecessary and inflationary legislation. The Council has more than enough to do without those meaningless responsibilities.

In closing, I would like to urge my colleagues to support this legislation and extend the Council on Wage and Price Stability with its existing statutory responsibilities as an indication of Congress determination to act in a responsible fashion in fighting inflation and also as a demonstration of our willingness to cooperate with labor and business to win that fight.

If the gentleman will yield further, I think the gentleman has stated the one strongest reason, certainly, for Members on our side of the aisle to vote for this legislation. This is also taking into consideration that there are several meaningful amendments that will be brought out in the course of the 5-minute rule which I personally, and many on our side, will support. We should try to amend this legislation the best way we can.

Why some of us will support it on final passage, as the gentleman from Connecticut has so well stated, is that in our report on the initial legislation 2 years ago, in 1977, the minority views said that President Carter was not doing enough on inflation. He wanted this Council for that purpose, and he was not using it. Therefore, we wanted to give him this particular legislation for monitoring purposes. We would support it. If it was good then, it is even stronger now, and so I salute the gentleman in the well for pointing it out.

Lastly, Mr. Chairman, may I join his many friends in telling the gentleman from Connecticut how pleased I am that he is back with us. He is a strong and stalwart Member of the House of Representatives. He was missed, and I am delighted to see him back and looking so well.

Mr. McKINNEY. I thank the ranking minority member, the gentleman from Ohio.

Mr. EVANS of Delaware. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Delaware.

Mr. EVANS of Delaware. I thank my friend for yielding. Let me say that with or without oranges from Zypherhills, he is certainly welcome back to this body.

Mr. Chairman, it is by now clear that inflation is not a simple one-dimensional problem in this country. Federal fiscal, monetary, regulatory, and cost-push legislative policies have all contributed to the explosive acceleration of prices over the last decade. One of the primary causes of inflation is without a doubt the crushing, unnecessary, and duplicative burden placed on the private sector by the various agencies of the Federal Government.

Dr. Arthur Okun, former Chairman of the Council of Economic Advisers under President Johnson, testified in our hearings on this bill about the "often neglected area of anti-inflationary policy (involving) the pervasive impact that Federal agencies have on costs and prices in many sectors of the economy." Eighty-three regulatory agencies are currently spewing out a veritable briarpatch of regulatory redtape while failing to devote adequate consideration to the economic rationale and inflationary impact of their directives.

In 1977 when we were asked to support a 2-year extension of the Council on Wage and Price Stability, I supported the bill, not because I thought it could or would be used to monitor prices and wages, but because I was led to believe that the administration had every intention of continuing to use the Council as a watchdog to eliminate the unnecessary costs of Government regulations. Both the majority report and the minority views reflected our concern with these costs and our intention that the Council "take actions to * * * minimize the inflationary impact of Government action." We even had assurances from Messrs. Blumenthal, Lance, and Schultze that the Council was the best equipped agency in government to perfrom this function.

During the 1977 hearings, we heard of some of the Council's work. It was obvious that the Council had been exercising some independent judgment to raise some very good questions about some costly regulatory proposals. We thought we had assurances from the administration that this work would continue. Unfortunately, during our recent hearings on this bill, all witnesses were agreed that far too little attention has been paid to the Council's recommendations. The obvious result is that the costs of Government regulation, have continued to add unnecessarily to inflation.

The Council's recent efforts to publicize examples of Government policies which contribute to, or accommodate inflation, have generally not been accepted in the final regulatory decisionmaking processes. Lamenting this fact Paul McCraken, former Chairman of the Council of Economic Advisers, testified, if somewhat facetiously, that perhaps we should give the Council a veto power over all Government agencies' regulations. Of course, the fact is that if the administration was sincere about eliminating unnecessary regulatory costs, the President's veto power could, and indeed should, be exercised through the OMB or the new Regulatory Council. Unfortunately, we have seen no evidence of any determination to follow through on this opportunity to reduce our inflation rate.

Since these agencies have proven themselves incapable of properly evaluating the tradeoffs between reasonably protecting the public welfare and unnecessarily contributing to our inflation problem, I am hopeful that the Council will save some of its energy for careful evaluation of the inflationary impact of Federal regulatory policies. The Congress has on several occasions given the Council a specific statutory directive to perform this function. By more active involvement in these agencies' activities, the Council will undoubtedly improve the cost-effectiveness of their regulatory decisions and focus public attention on the fact that the Federal Government—and not the private sector—bears the primary responsibility for the intolerable rate of inflation in this country today.

□ 1355

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the distinguished chairman of the Committee on Banking, Finance and Urban Affairs, the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Chairman, I thank the gentleman for yielding.

I want to join in the bipartisan joy about the return of the gentleman from Connecticut, Mr. STEWART McKINNEY. It is not pleasant to be sidelined for several weeks, as the gentleman from Connecticut was; but I hope the very spontaneous and evident love which both sides of the aisle hold for him, and which is manifest right now, will assuage the gentleman's disability a bit. The gentleman from Connecticut looks great, and we are delighted to have him back.

Mr. Chairman, I am very proud to support the handiwork of the gentleman from Pennsylvania (Mr. MOORHEAD), the gentleman from Connecticut (Mr. McKINNEY), and their hard-working committee.

Our Committee on Banking, Finance and Urban Affairs tries to operate on a bipartisan basis as much as it can. With regard to its outlook on monetary policies, it very often does see—and I do not often cite this authority—the editorial page of the Wall Street Journal, such as on this morning, when they pointed to the unanimous report of our committee on monetary policy.

So it is, Mr. Chairman, with the Council on Wage and Price Stability.

I like what the gentleman from South Carolina (Mr. DERRICK) had to say before in the debate on the rule, that if anyone has any doubt about whether to vote for this measure, he should consider the alternatives. The alternatives are mandatory, compulsory, rigid wage and price controls which nobody in this body wants or would vote for, or chaos, a situation in which individual self-interest is allowed to run rampant over the common good. We do not want that either.

Mr. Chairman, the bill before us etches out a kind of incomes policy such as that used in about the only two countries I can think of which have really done a good job in fighting inflation: Austria and the Federal Republic of

Germany, where their equivalent of a wage-price council has kept their cost of living within reasonable bounds.

So it can be here. I hope that the bill will include the committee amendment, which requests that the Council use voluntary groups, business, labor, and consumers, to the maximum extent and let them in on the hearing process.

That is how we make a social contract. That is how we get a feeling that we are not a dog-eat-dog society, but a society in which all persons or groups come together for the common good. Therefore, I would very much hope that that will stay with us.

I think, too, that people like Alfred Kahn and Barry Bosworth, the unfortunates who are in charge of this "win no friends" kind of program deserve our praise and commendation for doing a hard job under difficult circumstances.

Therefore, Mr. Chairman, I ask for a good, ringing vote of support for the measure.

Mr. Chairman, H.R. 2283, a bill to extend the Council on Wage and Price Stability for another 2 years and to authorize the Council to expand its permanent staff in order to monitor the voluntary wage/price restraint program, is most important legislation.

In the first place, let me remind my colleagues that in addition to monitoring the President's price and wage standards program, the Council on Wage and Price Stability is specifically mandated to analyze the programs and policies of the Federal Government to identify their inflationary impact. The Banking Committee, in its report accompanying H.R. 2283, emphasized that in extending the life of the Council, it expects the Council to continue its work in the most important area of analyzing Government programs.

I believe the Council should be given the additional staff it has requested—a request which, as you know, the House Banking Committee supported by a vote of 29 to 10. This additional authorization relates to the most controversial feature of the bill we are considering today, the voluntary wage/price standards program.

Of course, I cannot stand here today and state that if we give the COWPS the additional staff it requires, the inflation rate will decrease dramatically by some date certain. However, I do believe if we do not provide the Council with the authority it needs to go on with the administration's program, the Congress will be signaling to the American people that we are giving up on the program very soon after it was undertaken. President Carter announced the voluntary wage/price program just 5 months ago and implementing standards were promulgated less than 3 months ago. A few wage settlements have been concluded since the beginning of the program—small ones, admittedly, not the large pattern-setting contracts which still lie ahead—but these settlements, encouragingly, have been within the President's guidelines. On the price side, the base period figures were submitted a month ago, and the COWPS' monitoring indicates that a majority of the large manufacturers are keeping their price increases within the guidelines. COWPS is now working with those who appear to be outside the guidelines, and working on the standards to avoid a sudden surge at the beginning of the second 6-month period, which starts April 1.

There are two other indicators which encourage me that both business and labor will make a good faith effort to make this program work. The Council on Wage and Price Stability reports that it is spending a good deal of staff time providing technical assistance, at the request of businessmen and collective bargaining representatives, to assist these groups in working out the mechanics of staying within the standards in making their price and wage adjustments. Similarly, in reading the transcript of the hearings held by the Economic Stabilization Subcommittee, I was pleased to note that those business organizations who opposed the program hastened to add that despite their disagreement with the program, they intend to attempt to comply. I sense that there is a psychology for wanting the program to work. The President's program is a detailed and complex program which needs more time for the fair test that I believe it deserves. This was the considered judgment of the Banking Committee by a vote of 29 to 10. I urge my colleagues to support the Banking Committee and vote for H.R. 2283, as amended by the committee.

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. RUDD. Mr. Chairman, I thank the gentleman for yielding.

I would also like to join with my colleagues in welcoming the gentleman from Connecticut (Mr. McKINNEY) back home to the House.

Mr. Chairman, today the House is asked to approve a large increase in appropriations for a Government agency which is a proven failure. The basic philosophy behind its existence is a fiction which we should not perpetuate.

The Carter administration today asks for an additional $21 million to fund the Council on Wage and Price Stability through fiscal year 1981.

The purported objectives for the Council's existence are to monitor inflationary actions in the private sector and to determine the inflationary impact of activities and programs of the Federal Government.

The first objective is a contradiction in terms. Inflation is not caused by the private sector; it is only reflected there. Inflation is caused by Government policies, and Government policies alone.

The second justification for the Council's existence is duplicative. We already know what effect Government activities and policies have on inflation. Deficit spending by the Federal Government, financed by excessive expansion of the money supply, is the primary cause of inflation. Federal regulations add to inflationary pressures.

There is no need for the Council to spend time and tax dollars pondering a question for which the answer is already known.

The House should reject this raid on the Treasury, and let it be made clear to the President that Congress does not support the perpetuation of this economic fiction.

We can do more to control inflation today by eliminating the appropriation for this worthless agency—and the deficit spending it will necessitate—than the Council will do in a lifetime of existence.

□ 1400

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from Michigan (Mr. BLANCHARD).

Mr. BLANCHARD. Mr. Chairman, I wish to support and echo the remarks of our distinguished subcommittee chairman, the gentleman from Pennsylvania (Mr. MOORHEAD), and the ranking minority member, the gentleman from Connecticut (Mr. McKINNEY), in support of extending the life of the Council on Wage and Price Stability.

In listening to the dialog, I think it is important to point out what was not said as well as what was said in support of the Council. A careful reading of the record will reveal that no one who has spoken in support of the Council has said that it is the end-all in fighting inflation, or that they have a plan, a quick fix, a proposal that, if adopted, if followed, would stop inflation. It would seem to me that these are the types of leaders that we ought to listen to.

We have been grappling with inflation off and on for quite some time. Almost every economist in the world has indicated that inflation has been and will continue to be the plague of Western civilization unless we begin to try out some new ideas and do some sophisticated thinking. What we do not need are slogans, slogans from the political right and from the political left, the easy answer.

I think the President's proposal, while it is not very glamorous, quite frankly, offers an intermediate approach, an approach which in comparison to the alternatives deserves our support. The renewal of the Council is an integral part of that proposal, and so is wage insurance. That matter is not before us today, but I think all of us ought to bear in mind that it would be very difficult to get voluntary cooperation from working men and women without some assurance that if prices go up, they will be protected. I think the wage insurance proposal which is pending before the Committee on Ways and Means deserves careful consideration by the House, and it really will be essential to allow the President's program to have a chance to work. I hope we bear that in mind today when we vote overwhelmingly, I hope, in favor of extending the Council on Wage and Price Stability.

Mr. Chairman, I also want to extend my welcome back to the gentleman from Connecticut (Mr. McKINNEY).

Mr. McKINNEY. I thank the gentleman from Michigan.

Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. PAUL).

Mr. PAUL. Mr. Chairman, today I would like to speak out in opposition to wage and price controls. We are asked today to quadruple the budget for the Wage and Price Council, hardly a way to fight inflation. Even this year, between now and November we are asked to increase the Council's budget by $4.7 million. In 1974 the Council was brought into existence, and in the past 5 years it has spent over $6 million. During this time the Consumer Price Index has increased 58 points, meaning to me that COWPS has not been very successful in holding back inflation.

Not only that, and not coincidentally, the M-1 has increased by $77 billion, a 27-percent increase in the money supply during this period. Now, after 5 years of effort by this Council, we are living in an age of double-digit inflation destined to be replaced probably by triple-digit inflation. This is not something new or different that we are looking at today. This is something which is ancient. We have had wage and price controls since the time of the ancient Egyptians when they controlled the price of wheat, which subsequently led to the complete state ownership of all land. Back in the days of Babylon, they had wage and price controls. The Hammurabi Code was written primarily to control wages and prices. In Rome in A.D. 301 there was a death penalty set for those who did not abide by wage and price controls. A contemporary historian of that time wrote that "the people brought provisions no more to market," after wage and price controls were instituted. That is what happens all the time. The stronger the wage and price controls get, the fewer the provisions there are.

Even in recent history we have had many examples of wage and price controls, including the French Revolution and the American Revolution. All examples known have failed to help stop inflation.

When Paul McCracken was before our subcommittee for testimony, I asked him if he had any historic examples of when wage and price controls worked, and he told me that he did not know of any time that they ever accomplished what they intended to accomplish.

□ 1405

Economically they are foolhardy. They do not accomplish what they are supposed to. We place controls initially on the more vital industries and this does one thing, it causes shortages in those industries.

We are attacking symptoms. We are not attacking the real problem. The real problem is that the money has gone bad, not that prices are high. The money is bad and unless we direct our attention to the money, we will never solve the problem of inflation.

The pricing structure cannot be meddled with. It is the steering device in a free market. If we mess with this, it is like destroying the vital nerve. We cannot manipulate the pricing structure. It is an absolute necessity for the system of allocation through voluntary purchasing of the consumer to perform.

If we do not honor this absolute right of the consumer to buy or withhold his buying, the market fails to work and this is why wage and price controls are so dangerous. With total controls you destroy the market. Allocations of scarce resources cannot occur. We then create artificial shortages.

The other thing is that when you have partial controls, you cause misdirection if you have one industry controlled and another one that is not. If this occurs we encourage the transfer of capital from one industry into another. For instance if you have controls on cars in order to give the consumer a low-priced car and you do not control trucks, all the capital and all the productivity goes out of the very industry you are trying to protect for the consumer; so inevitably, wage and price controls hurt the very industries and the very people you are attempting to help.

Not only this, if you have an industry where you have marginal businesses, those are the first ones to be hurt. The minority groups and those who have been dependent on assistance such as through SBA loans are the very ones to be wiped out, because they have a narrower profit margin with which to work. Therefore, you are hurting the very individuals that we are making so many attempts to help. With this capital going over into other industries and to other people we promote monopolies, because the stronger industries inevitably become stronger.

Wilhelm Röepke states that the wage and price controls will do only one thing: It will cause "repressed inflation," that is, we will cause shortages, lines to form; half empty stores; we will have rationing and then we will have a black market. All we have to do is look at the rent controls and the controls in the petroleum industries and we can see what will happen to a whole nation and to all the products that we are dependent on. If you just take a look at what controls on prices do in housing. One would never support controls of any sort on any other parts of the economy. Partial controls always fail.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. McKINNEY. Mr. Chairman, I yield the gentleman 1 additional minute.

Mr. PAUL. Mr. Chairman, total controls will lead to total destruction of the marketplace, and worse yet, it will lead to the total destruction of our freedom. The foundation for freedom is based on a free market system. We cannot legislate control on people and property as this proposed law does.

I would like to close with a quote that Herman Goering said back in 1946, as a prisoner:

> Your America is doing many things in the economic field which we found out caused us so much trouble. You are trying to control people's wages and prices—people's work. If you do that you must control people's lives. And no country can do that part way. I tried it and failed. Nor can any country do it all the way either. I tried that too and it failed. You are no better planners than we. I should think your economists would read what happened here. . . .
>
> Will it be as it always has been that countries will not learn from the mistakes of others and will continue to make the mistakes of others all over again and again?

I urge the defeat of this legislation.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from Ohio (Mr. ASHLEY), formerly chairman of this Economic Stabilization Subcommittee.

Mr. ASHLEY. Mr. Chairman, it seems to me that the facts are apparent. There is one source that does not lend itself to controversy, and I am talking about the fact that the administration, rightly or wrongly, embarked on a four-pronged approach to counter inflation, taking aim through the Federal Reserve monetary policy. There can be no question it is taking aim at the taxing and spending fiscal policy. It has proposed real wage legislation.

Fourth, it has put in place a voluntary wage and price restraint program.

Now, we hear from the opposition that this is overloading the system, that wage and price restraints will not work, so they should be scuttled.

At the outset, where is there evidence that voluntary wage and price restraints will not work? Precisely the reverse is the evidence to date.

□ 1410

Mr. Chairman, there are now something over I believe 300 of the 400 to 500 that have supported and are supporting voluntary price restraint programs. That is not bad for starters. The program only started in October.

We know that on the wage side unions, where there have been negotiations, large unions have settled on the guideline suggested by this program. There is no evidence that the program will not work. The evidence is just to the contrary, that this program can work. Perhaps that is where the fear of some of the opposition comes from.

It is said by some in opposition that the exclusive Federal concern and the exclusive Federal effort should be with fiscal policy generally and with Government spending in particular. Well, Congress is doing something about spending. They did it last year. It very substantially reduced the amount of Federal deficit and it is doing the same thing this year as we all know.

It is a fact, if I may direct this to those in opposition, that wage and price behavior is not always responsible. I am talking about wage settlements just as much as I am talking about irresponsible price actions that are taken.

We have heard of administered wages. They did take place in our private sector. We have heard of administered prices. They do take place.

What is the matter with having a voluntary overview of what is going on? Or is that not in the public interest?

Well, the reason, it is said, is because this leads to, as the previous speaker described it, a system of total controls. We can flail at that windmill all day. Total controls do not work. We are not

talking about total controls. We are talking about a voluntary system of wage and price restraints that do not even apply totally across the board in any event, but only to the larger participants in our private sector.

Of course, we have go to do this. Of course, we have got to have a combined effort on the part of the Federal Government and indeed the private sector if we are going to get a handle on inflation.

Mr. McKINNEY. I yield 3 minutes to my colleague from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. Thank you, Mr. Chairman.

I thank my colleague for yielding to me.

Mr. Chairman, I rise in opposition to this bill reauthorizing the Council on Wage and Price Stability and granting an enormous increase in the Council's staff and budget and I would like to congratulate my colleague from Texas on his highly accurate statement.

Instead of fighting inflation, the Council is contributing to it. At a time when the entire country is crying for a balanced budget, the administration is proposing to add almost $5 million to the Council's budget for fiscal year 1979, and to add an additional $1.5 million again in 1980 and again in 1981.

From an original staff of 39 persons, the administration is now saying they must have 233 people to staff this agency. The proof is in the pudding. Inflation is still going up.

Mr. Chairman, I protest this action. The only way we can truly fight inflation is to cut the Federal budget and stop regulating our economy into extinction. Yet, increased regulation is exactly what the Council on Wage and Price Stability intends to accomplish. Despite the President's current stand against wage and price controls this action opens the door for exactly such action.

The Council promises more bureaucracy, more paperwork, more controls—and more inflation. If we are to take a stand on inflation, I believe we should start here. This agency is unnecessary. Its continued existence is an attempt by the Federal Government to coerce businesses and wage earners to do what only the Government can do: Stop the inflation spiral by cutting Federal spending. Federal regulation, and Federal control.

It is a Catch 22—it will not work. Yet we are asked to vote $7 million for this fisal year and $8.5 million for the next so the administration can say it is "fighting inflation." I would rather fight inflation by cutting the budget and I would like to see Congress start right here.

If we have heard the people, if we heed their wishes, if we are serious about balancing the budget and reducing the overwhelming public debt of this country, then we should start here and now.

Mr. Chairman, I wholeheartedly oppose reauthorization of the Council on Wage and Price Stability and I urge my colleagues to vote against this legislation.

□ 1415

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I rise in strong support of the bill to extend the Council on Wage and Price Stability Act.

I think that we have before us a chance to provide an opportunity for the Government to get its act together. The original conception of the Council on Wage and Price Stability and the original charge, of course, were to coordinate the separate aspects of the American economy and the Federal aspect as to how they affect inflation. That was the reason this was voted in, to existence in one agency, to act, and coordinate these activities. The agency has created a voluntary program with the President's direction. We have this Council with additional charged responsibilities.

In doing so, of course, the necessity has arisen for the additional funds. If we look at the total expenditure of the Federal Government for the fiscal year 1978, we see it is proposed to be approximately $530 billion. The expenditure for Council, as proposed for fiscal year 1980, is recommended to be $8.5 million.

I suggest that COWPS has the potential to provide some leadership. It has done so through looking at the various policies of agencies; it has done so by looking at the policies that are occurring in the private sector.

I have heard the cry again today that we should balance the budget, and certainly there has to be an effort to look at Federal spending and at what our priorities are. But before the committee, when we were considering authorization, both Professor McCracken and Mr. Okum testified as to what the impact of balancing the budget. They suggested that from the $29 billion deficit proposed for 1980, it would be something like two-tenths to three-tenths of 1 percent in terms of the effect on the Consumer Price Index.

I submit to the Members that our constituents would not accept an 8.7- or 8.6-percent increase in inflation. We are going to deal effectively with inflation through a voluntary program.

The only other means to accomplish the purpose that has been proposed in terms of influencing the economy is to have an onerous government of large bureaucracies. That has been tried, and it has not proved satisfactory to the American people.

So I think we must proceed on a voluntary basis. I think the Council is moving full steam ahead to accomplish its purposes. It is doing it through the regulatory review process, and it is doing it through the monitoring of wage and price controls. It has set up the standards, and they are trying to be equitable and fair.

I might add that, despite some of the concerns we have heard, the wage program, as testified by Mr. Kahn and Mr. Bosworth before the committee, is working. In spite of the opposition to wage programs, the program is working, and wages are being held within one-tenth of the percentage points as related to actal standards.

Mr. Chairman, I submit this goal can be accomplished through a variety of means if we get behind this and push. I think we owe it to our constituents, we owe it to our country, and we owe it to the economy to support the efforts of the administration to extend the Council on Wage and Price Stability.

Mr. McKINNEY. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GREEN).

Mr. GREEN. Mr. Chairman, let me first join my colleagues in welcoming back the gentleman from Connecticut (Mr. McKINNEY). Having been privileged to work closely with the gentleman last year on the New York City financial legislation, I am doubly happy that he is back with us today.

□ 1420

Mr. Chairman, I rise in support of H.R. 2283, although I confess that the support is reluctant support. Whether we like it or not, the Council on Wage and Price Stability is the only anti-inflation game in town. To skill it now would send a message throughout this country and the rest of the world that we are not serious about coming to grips with the inflation we face. Defeat of this bill may, therefore, damage the recovery of the dollar in world markets. I thus urge my colleagues to reauthorize the Council and, in so doing, take advantage of the good while recognizing the bad.

The bad elements of the Council's activities are the so-called voluntary wage and price guidelines, whose legality is at present being examined by the courts. This inflation, very clearly, is not caused by wages and prices, which simply respond to inflation. Everyone knows that this inflation is the result of massive Federal deficits doing a period of strong economic activity. These deficits have been monetized by the Federal Reserve System, which has been unwilling to see political unacceptable crowding out of private borrowing efforts.

The good to be found in the Council is its mandate from the Congress to monitor the inflationary impact of Federal regulations and programs. In light of the extensive testimony that the Subcommittee on Economic Stabilization and the full Banking Committee has heard as to the inflation-causing track record of the Federal Government, this aspect of the Council's activity has the potential to provide real help to the people by calling our attention to federally mandated inflation.

I hope that the Council will focus its efforts heavily in this area, because it can be of tremendous import in the fight on inflation.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield such time as he may consume to the gentleman from Oregon (Mr. AUCOIN).

Mr. AuCOIN. Mr. Chairman, today the House considers reauthorizing the President's Wage and Price Council. I support the President in his efforts to control inflation, and I believe he should have every possible tool at his disposal. I do not want to stand in the way of strong executive action to curb our most critical domestic problem—inflation. Therefore, I will support extending the authority of the Wage and Price Council.

I must make clear, however, that I do not support mandatory wage and price controls. There should be no mistake about the guidelines—they are mandatory for firms that now have, or may have in the future, a government contract. For firms forced to comply—and that includes almost every large firm in America—the guidelines hurt, not help, the inflation fighting effort.

Government policies alone will not end inflation. It will take concerted and cooperative action from every American. Everyone in business, in labor, and in Government must carry a fair share of the burden. We need to do away with the "I've got to get mine" attitude and share in some long overdue belt tightening.

For individuals to join in the inflation fight, they need the help and encouragement of Government. It can provide that climate by helping individuals and enterprises make the most efficient use of their human and economic resources.

Not only do we need to free up new ideas, we need to make capital available to put those ideas to work. Last year's Revenue Act contained changes in tax policy to encourage capital formation. But there are still other steps needed—such as eliminating double taxation of dividends—to help eradicate the anti-savings bias in the U.S. Tax Code.

Increased investment in new plant and machinery would help pump up the lagging rate of productivity growth. Indeed, this aspect of our economic problems—lagging productivity—troubles me more than any other.

Productivity growth during the last few years has been only one-half the average of the postwar period—1.6 percent in 1977 and only three-tenths of 1 percent in 1978.

Let me put this in more human terms. The average American household now receives $3,700 less income for better housing, food, clothing, savings for the future, and tax payments for government services as a consequence of the decline in productivity. Nine years from now, it is estimated the average American household will lose another $4,800 if the trend is not reversed.

For business and industry, the President's wage and price guidelines only serve to compound the problem by discouraging investments in more efficient and productive plants and machinery. Under the guidelines, firms are expected to conform either to a price deceleration standard or to a profit margin standard. Either procedure puts the squeeze on profit margins. And this bleak profit picture makes it difficult for firms to attract capital. It also reduces prospects for financing improvements through reinvesting profits.

For individuals, the guidelines on wage increases hamstring higher productivity that should be rewarded by higher pay.

The case of one large electronics firm in my district illustrates the problem. Employees in the company can receive frequent increases in pay for performing well. Large increases are especially common for new employees as they quickly become trained in their jobs—and, therefore, become more productive.

The rub came when the company had to freeze wages to comply with the President's voluntary wage and price guidelines which give no special attention to productivity. The result in the long run will be discouraged and disgruntled employes who no longer are rewarded sufficiently for their efforts. Consequently, productivity may not decline but it would not grow at accelerated rates, and that's a loss we cannot afford.

One final note on the guidelines. Many industries in this country—particularly building materials firms—are operating at or near plant capacity. By discouraging new investment, the guidelines help perpetuate capacity shortages. Those shortages, coupled with higher costs of producing goods at the margin of industry capacity, drive up costs—and prices. This is a particularly critical problem in the homebuilding sector where the average price of a new home jumped 14 percent during 1978.

Mr. Chairman, I encourage the President to reexamine his commitment to wage and price guidelines. In the long run, the guidelines would not help us cure inflation. Instead, we need to concentrate on building positive incentives to increase productivity and to create new capital. We can start by expanding into new and growing world trade markets, by stimulating invention through support for research and development, by ridding the Government of wasteful spending habits, and by throwing out Government regulations that only serve to crimp inventiveness.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. LUNDINE).

Mr. LUNDINE. Mr. Chairman, I support a strong, comprehensive effort to combat inflation in this country, and believe that a well-structured voluntary program can work. This legislation, in authorizing increased funding and staffing for the Council on Wage and Price Stability, is urgently needed to enable the administration to implement the full antiinflation program announced last October.

This program, in addition to setting forth specific standards for wage and price increases, involves proposals to reduce Federal spending, limit the hiring of Federal employees, minimize the costs of Federal regulatory requirements, and provide incentives for voluntary compliance with the guidelines. The proposed incentives include real wage insurance, to protect groups of workers who meet the pay standard in the event that inflation remains high, as well as the use of certain economic sanctions by the Government in cases where wage and price standards are exceeded.

In some of these areas, the Council has direct responsibility for basic program operations; in others its functions is to coordinate, evaluate, and furnish information and expert assistance to other Government agencies. The overall program clearly depends on the Council's ability to effectively perform a wide range of activities and secure the staff it needs.

I commend the committee and the subcommittee for approving this authorization, without restrictive amendments, to equip the administration to proceed with its program. I recognize that a key component of the plan—real wage insurance—requires separate action by the Congress and personally hope that approval of this important incentive will be forthcoming.

There has been considerable controversy in recent weeks over whether the administration can legally use procurement policy as a means of encouraging compliance with the standards. The administration, relying on an interpretation by the Department of Justice, did not seek clarification of its authority in this area. The issue is currently before the courts.

In supporting this measure, I have assumed the proposed enforcement procedures will be used to carry out the program. I consider incentives for compliance an essential part of an effective voluntary program, and do not believe they conflict with existing prohibitions against mandatory wage-price controls. While the committee did not directly resolve this issue, I would note that it did reject an amendment that would have placed criminal penalties on Government officials who deny contracts to companies that do not comply with the standards.

□ 1425

Mr. McKINNEY. Mr. Chairman, I yield 2 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, it is with considerable trepidation that I voice my opposition to H.R. 2283, which provides for a 2-year extension of the Council on Wage-Price Stability.

Inflation is the No. 1 problem confronting our Nation and I know that all of us are committed to eliminating this economic ailment that is having such disastrous effect on so many Americans. It is not easy to stand up here today and speak against legislation to extend the life of an agency that has the noble purpose of moderating the rate of inflation.

If I thought it had even the remotest chance of attaining this worthwhile goal, I would support it. However, the council's past record leaves me no choice. It has failed to achieve its stated objectives. If anything, its existence may have contributed to the worsening inflation we

have experienced over the past several years.

The gentleman from Michigan said that we should try innovative programs to overcome inflation. Well, the traditional Government response to a faltering program is to increase the funding and staff. That is what we are being asked to do today.

Yes, as the gentleman from Ohio said, we are trying a four-pronged attack, why are we being asked to triple the funding and multiply the number of regulatory personnel by six times?

It is a hopeless cause as long as the council concentrates on the symptoms of inflation and does not emphasize its major causes—Government regulatory activities and irresponsible fiscal and monetary policies.

The continuation of the council and a move by the administration toward more stringent economic controls will only result in increased inflation and economic disruptions.

I urge my colleagues to join with me in defeating H.R. 2283.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 3 minutes to the gentleman from Illinois (Mr. ANNUNZIO).

Mr. ANNUNZIO. Mr. Chairman, today, this Congress faces the first real test of its commitment to making the fight against inflation its No. 1 priority. If we succeed in this venture, we will earn the respect of our constituents and of our foreign allies. If we fail to translate campaign rhetoric into concrete actions, the credibility of this Congress and the power and prosperity of this Nation will be forever undermined.

The instincts which sparked the American Revolution over 200 years ago are rising to the surface once again. People are no longer willing to tolerate the activities of a distant government which does not address their most basic needs. Inflation has stripped away the security which millions of Americans have always enjoyed, and has dashed the hopes of disadvantaged groups which were beginning to share in this country's prosperity. Going to the local supermarket has become a more painful experience than visiting a dentist.

Ironically, although inflation has been appropriately labeled the country's foremost domestic problem, there are currently only 39 men and women responsible for monitoring compliance with President Carter's voluntary wage and price guidelines. Today we have the opportunity, and the responsibility, to correct this deplorable situation. H.R. 2283, the Council on Wage and Price Stability Act extension, permits the Council to expand its full-time staff to 233 persons to improve its role as coordinator and watchdog of the current wage-price guidelines. By expanding its highly trained staff, the Council will be able to widen the scope of its activities to insure that the guidelines set by President Carter are being followed by business and labor alike.

I am aware that this Chamber has become forbidden ground for the use of these words. But without the authority to set caps on the wage-price spiral, the administration is like a fighter with his hands tied behind his back and his legs chained together. All he can use is his mouth. If the exhortations of the administration are not heeded, the Council on Wage and Price Stability may have to become the enforcer of mandatory controls. I anticipate that some of my distinguished colleagues will oppose the bill before us because they believe it is a back-door attempt to pave the way to wage-price controls. But all they offer instead are recession and unemployment as a more palatable means of cooling inflationary forces. Standing in this Chamber, we risk losing sight of the devastating effect on people's lives a 1-percent increase in unemployment causes. In order to protect business profits, some proposals sacrifice individuals, because they are considered more expendable. Those opposing the Council's staff increase are voting to reject voluntary efforts, and are inviting the imposition of the controls they abhor.

Each of us bears a responsibility to combat inflation, not only as Members of Congress, but as members of families as well. None of us is immune to the effect of escalating prices. To reject this bill, we must face not only our constituents, but our own children and grandchildren, whose only expectations have become keeping up with the inflation rate. Today's bill in itself can do only a little in pushing down the forces of inflation. But our vote will send a message across this country, and the American public will hear us loud and clear.

In approving this increased authorization, it should be our expectation that tangible benefits will be derived from the expanded staff at the Council on Wage and Price Stability. The American public and this Congress will not condone spending money just so that the council can collect more statistics to be filed away in Government vaults.

But even 233 persons, no matter how well equipped, cannot chip away at the inflation rate alone. It will require the efforts of a million times that many, every American citizen, to halt the havoc inflation plays on our economy and our way of life. We can infuse more funds into the council, and add more staff members, but these efforts become futile if no attempt is made to impose self-restraint in price increases and wage demands. This restraint applies to the Government as well as the private sector. It is the specific mandate of the Council to examine Government programs and regulations in order to measure their impact on inflation. This function must become a high priority, as it has become evident that Government spending and regulations are prime culprits in fostering inflation.

Several times in its history, this country has knocked over obstacles to progress and prosperity through voluntary action. I hope that the history books will be able to state that this is another of these times. Compulsory controls violate the spirit of this Nation. The Council on Wage and Price Stability Act specifically prohibits the implementation of mandatory ceilings on wages and prices. But if Americans ignore the urgency of following the voluntary guidelines, or if wages are more stringently monitored while prices continue their unabated rise, I will not hesitate to sponsor legislation for mandatory wage and price controls.

□ 1430

Mr. McKINNEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. ANDERSON).

Mr. ANDERSON of Illinois. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I am disappointed that the report on this legislation does not deal with what I perceive to be a conflict of interest which now exists on the Council on Wage and Price Stability. In the past the council has rarely if ever met, and has actually consisted of Director Barry Bosworth and his staff of highly trained economists who monitored inflationary trends and forces and produced studies and analyses on these. Now, the council is dominated by an activitist chairman, for the first time, who also serves as the President's chief adviser and spokesman on inflation. Unfortunately, this dual role of the chairman detracts from the council's previous reputation for tough-minded independence and professionalism in identifying the causes of inflation.

In arguing for the extension of the council in April of 1977, Chairman Charles Schultze, OMB Director Bert Lance, and Treasury Secretary Michael Blumenthal wrote the following to the House Subcommittee on Economic Stabilization:

> No other agency or agencies of Government are in a position to perform the role of the Council. It is an independent agency. It is free from political and bureaucratic pressures that would face bureaus within other agencies if they tried to perform similar tasks.

One must now ask whether the council today enjoys that same independence and freedom from political and bureaucratic pressures under the domination of Chairman Kahn who also serves as the President's chief policy adviser and spokesman on inflation. I do not raise this issue to detract in any way from the credentials or competence of Chairman Kahn. He is an honorable, intelligent and capable chairman. But I would submit that so long as he both directs the council and engages in administration policymaking as an adviser to the President, the independence, integrity and credibility of the council's work is undermined. For no longer is the council by any means independent and free of political and bureaucratic pressures; it is thrust into the very midst of such pressures.

There can be no better illustration of this point than Mr. Kahn's comments as

reported in the Washington Post last Friday. Mr. Kahn is quoted as warning that the Administration will move swiftly on sweeping deregulation of the trucking industry if the Teamsters union wins a new contract "substantially" in excess of the administration's anti-inflation wage guidelines. Mr. Kahn went on to say that the administration would be "more modest" in its eventual deregulation proposals if the guidelines were not breached.

While the administration may have every right to use this "carrot and stick" approach to securing compliance with its wage guidelines, I seriously question whether the chairman of the Council on Wage and Price Stability should be employing this threat. If the council is truly fulfilling its role to determine the inflationary impact of both wage increases and certain regulatory activities of the Government, its chairman should not be playing one off against the other like a politcal horse trader. If excessive wage demands and continued regulation of the trucking industry are both inflationary, he should be pressing for both wage restraint and trucking deregulation. The President certainly did not equivocate on this in his inflation address of last October 24 when he promised to work with Congress to bring more competition to the trucking industry. To quote from that speech:

> Of all our weapons against inflation, competition is the most powerful. Without real competition, prices and wages go up, even when demand is going down. We must therefore work to allow more competition wherever possible so that powerful groups—government, business, labor—must think twice before abusing their economic power. We will redouble our efforts to put competition back into the America free enterprise system.

And yet, Mr. Kahn, the President's chief inflation fighter, would now have us abandon, or at least soft-pedal, this most powerful weapon against inflation in return for wage restraint. One can imagine the precedent this approach will set for other unions and industries who want or do not want a particular bill or regulation. But, more importantly, one wonders how much an approach as enunciated by the Chairman of the Council on Wage and Price Stability will affect the inflationary analyses of his staff. Should the Council staff now be prepared to put out a report demonstrating that deregulation and competition are not such powerful tools against inflation after all, so long as wage guidelines are not breached?

Members may recall that last August I raised a strong protest aaginst administration efforts to muzzle Council Director Bosworth. After meeting with AFL-CIO President George Meany, Labor Secretary Marshall announced that all future pronouncements on pending wage negotiations would be cleared by a coordinating committee to be headed by him, and that Mr. Bosworth would no longer speak out without authorization. It was my feeling that such muzzling or censorship ran contrary to the independence and mandate of the Council and jeopardized its credibility.

From all I can gather, that coordinating committee or censorship board no longer exists, if it ever did. It could be its mere formation had a sufficient deterrent effect on Mr. Bosworth. It could be the muzzling plan collapsed when it failed to muzzle Mr. Meany whom it was designed to placate. It could be our protests against the muzzling rendered it inoperative. As much as I would like to take credit for the disappearance of this muzzling committee, I suspect the committee was really rendered obsolete by the appointment of Mr. Kahn last October as Chairman of the Council as well as the top inflation policymaker and spokesman. The Council was effectively coopted and absorbed into the administration policy process, thus obviating the need to insure that its pronouncements were not contrary to administration policy. It is unlikely now that Mr. Kahn, as the administration's chief inflation policy spokesman, will contradict his own policy. But it is also unlikely that Mr. Bosworth, who is now a subordinate of Mr. Kahn, will make any statements which contradict his boss.

To use an analogy, it is as if the chairman of the House Budget Committee were put in charge of the Congressional Budget Office. Does anyone think we would get the same independent and objective analyses out of the CBO that we now get? I doubt it.

In conclusion, Mr. Chairman, I do not think we have given sufficient thought to what the new role of the council should be under the President's enlarged, anti-inflation program, or what role the chairman of the council should play. To the extent that the council is pulled deeper into the political and bureaucratic policymaking process, the product of its work will become more suspect, and with it the credibility of the administration's entire anti-inflation program. The American people want a firm and fair hand on the inflation-monitoring rudder, not a fast hand at the political poker table. The stakes are just too high.

Mr. McKINNEY. Mr. Chairman, I yield 5 minutes to the gentleman from Florida (Mr. KELLY).

Mr. KELLY. Mr. Chairman, may I say to the ranking minority member of the Subcommittee on Economic Stabilization, the gentleman from Connecticut (Mr. McKINNEY), that I am glad the center of the universe Zephyrhills has been able to bestow such beaming health on such an esteemed person.

Mr. Chariman, I do not want anyone in this chamber to wake up or stir themselves because I am not going to do anything to change the thrust of what is happening here.

What we are doing, in case anyone should be interested at all, is that we are carrying on with business as usual. We are now, at the present time, constructing a $22 million scapegoat. This body, the Congress of the United States, and this administration and some of the administrations which have preceded it have mismanaged the affairs of the U.S. economy, and the country is in a great deal of trouble at present.

Obviously, the public, being as rational as it is, could not expect that Congress and the administration would want to put the blame where the blame is due, so we have to find someone to blame. As a result, what are we going to do? We are going to put the blame on the private sector. Obviously, the Government is going to try to blame the business people in this country for causing all the inflation. Surely, Government, the administration and the Congress, are doing the very best they can to do something constructive; but those bad businessmen just will not let the Congress and Government do it.

This would wash if the people did not have enough sense to know the difference between a 12-quart bucket and a No. 3 washtub.

However, the situation is pretty clear here since the greatest inflation fighter in this Nation today, Alfred Kahn himself, has uttered these things before the committee when this matter was up for consideration.

This question was put to Mr. Kahn, the Chairman of the Council:

> If you had to name one entity that contributes more to inflation and a distortion of our economy, would we both agree that it is the government? Wouldn't we?

This was Mr. Kahn's response:

> I would have to say monetary and fiscal policy in the last 10 years.

Mr. Chairman, the man who is responsible for this Council himself admits that it is the Government and the Government alone which is causing inflation. The Government as it is administered by this Congress is the cause of inflation, and it is not the businessmen.

Mr. Chairman, my colleague, the gentleman from Ohio, pointed out the fact that 300 members of the Fortune 500 have said they are going to comply. Of course. Because Government is going to call them bad names in public if they do not, so they are being coerced to say that they will go along.

However, it is all an exercise of providing a scapegoat, and that is all it is, because the Council on Wage and Price Stability has nothing to do with monitoring or commenting upon or evaluating or analyzing the fiscal and monetary policies of the United States, and these are the things which cause inflation and nothing else does.

Mr. Chairman, I refer the Members to the legal provision on which the Council proceeds. It is the Council's responsibility, under the act, to monitor and analyze inflationary activities throughout the economy.

That really sounds great. However, the provisions of the law state that it can only deal with the private sector, and the impact of regulatory activity of the Government, and that they must stay away from analyzing, commenting upon, or having anything to do with the real causes of inflation.

That, Mr. Chairman, is the mismanagement of the American economy by this Congress and by this administration, and that is what all of this comes down to.

□ 1435

So let us not disturb ourselves. Let us buy a $22 million scapegoat so the big spenders in Congress and the administration can roll on, business as usual, because that is what we are about, and let us not hesitate. If there would just be anyone here who would be interested in the rational management of the affairs of this country, he would vote this thing down because it is just simply an expensive boondoggle. During the time that it has been in existence since the last time we extended it, the inflation rate has come from 4.7 to 11.2 percent, and there has not been one person come in here and shown any constructive purpose.

The CHAIRMAN. The time of the gentleman has expired.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 4 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, it strikes me as a little bit odd that we should be debating this legislation to extend the Council on Wage and Price Stability. If there was an amendment up here to make this into the Council on Wage and Price Instability, I certainly would support it, because I think we are extending the authority of an organization that has obviously completely and totally failed to do the job that it was supposed to do.

If you hired a doctor last October, and you found yourself increasingly ill every succeeding month, I do not think you would hire him on for another year or another 2 years. Yet that is exactly what we are doing in this legislation.

I have forgotten just when this thing was created and Mr. Kahn was appointed, but it was along in October of last year and around then I think we had something like 7 or 8 percent inflation. Today we have got 11 or 12 percent inflation.

This thing does not work. It has failed, and it is a joke. I think we ought to recognize it. How long do we have to wait? Mr. Kahn says:

> Oh, yes, the prices are going up, but give us more time. Wait until next June or July and then see whether we have done our job.

But we cannot afford to wait. We need a new approach to this problem. Voluntary price control makes about as much as voluntary taxes. We have involved in our price structure some of the most important economic forces in the country; and we are simply not giving to turn those forces around by saying, "Be good little people, and just do as Uncle Sam tells you to do."

The problems we are confronting today in social security, in the budget, and in everything, extend from the constantly increasing inflation in this country. We have not got it under control on this voluntary basis and I say what we have got to do is to go to the same thing that we do with taxes: Make them mandatory. This may not be a very popular proposal and I may be the only Member of this body who is in favor of it. But the American people are in favor of mandatory controls. Every poll that has been taken demonstrates they want this spiraling inflation stopped, even if it means mandatory controls. They do not listen to many of these economic arguments about how such controls have not worked. The truth is they have worked. President Nixon put mandatory price and wage controls into effect in 1971. We did not think he was going to use the legislation that we gave him. But he used it, and if we take a look at the economic record, we will see that during the little bit over a year that those controls were in effect, the price level rates rose by about 2 percent over that period. When he took them off after the 1972 election—he did not care, as long as he got by the 1972 election—then prices rose steeply after that time.

So mandatory can obviously work. Oh, of course price controls themselves do not get at the basic causes. But first of all we need to stop this constant spiralling and then we can get at the basic causes like balancing the budget and changing our monetary and fiscal policy, if you like.

But we need time to do these tougher economic jobs. But as long as we are using only this voluntary system, with all of these economic forces working on us—the steel companies and all the rest of them are going to continue to push the cost of living up. Steel prices go up 7 percent. The Teamsters are reportedly going up 9 or 10 or 12 percent in their wages. And so the old price spiral continues.

So, I will offer an amendment at the proper time to restore the legislative authority that President Nixon used in 1971 and put this Council on Wage and Price Stability to work enforcing that kind of tough legislation, instead of issuing the inane statements that they have been issuing that do nothing to solve the problem, and only seem to convey an impression of total helplessness to control our own economy.

□ 1440

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding this time to me.

I should say at the outset that it is not often that the gentleman from New York (Mr. STRATTON) and I, are in agreement, but this is one of those rare occasions.

To me, the most disturbing part of this afternoon's discussion and debate is that the members of my party have accepted without argument, for the most part, the pernicious arguments, coming from the people on the other side of the aisle that mandatory controls do not work.

Now, the fact is that the committee report itself demonstrates without any question at all that the only thing that has ever worked in the history of this country has been mandatory controls and that voluntary controls not only have never worked, but have never even been tried, because everybody accepted the fact that voluntary controls are not controls at all.

Indeed, in 1971, facing reelection at a time of unbridled inflation, that staunch defender of a free market and opponent of controls, Mr. Nixon himself, forgot his dogma and the high guru of economists in his administration, Mr. Alan Greenspan, chairman of his Council for Economic Advisers, opted for mandatory controls.

Now, it seems to me that if the Republicans at that time could recognize economic fact and reality, then the Democratic party at this time of economic crisis ought to have the capacity to do the same thing.

The people of this country are pleading for real help. They know that voluntary guidelines have not worked and will not work.

I have introduced legislation (H.R. 786), which would not impose mandatory controls, but would give the President of the United States standby power to impose mandatory controls on any sector of the economy where he felt it is essential and necessary. If we really want to stop inflation we ought to give him that kind of power.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

H.R. 2283

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 6 of the Council on Wage and Price Stability Act is amended to read as follows:

"SEC. 6. There is authorized to be appropriated to carry out the provisions of this Act not to exceed—

"(1) $6,952,000 for the fiscal year ending September 30, 1979, which shall remain available until expended;

"(2) $8,483,000 for the fiscal year ending September 30, 1980; and

"(3) $8,483,000 for the fiscal year ending September 30, 1981.".

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the RECORD, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania?

Mr. BAUMAN. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

The Clerk will read.

The Clerk concluded the reading of the section.

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, strike out lines 1 and 2 and insert in lieu thereof the following:

That section 3(a) of the Council on Wage and Price Stability Act is amended—

(1) in paragraph (8), by striking out "and" at the end thereof;

(2) in paragraph (9), by striking out the period at the end thereof and inserting in lieu thereof a semicolon; and

(3) by adding at the end thereof the following:

(10) hold regional hearings on the Council's standards, regulations, and other major actions which affect general consumer interests; and

(11) enlist voluntary individual and group participation from the public to help monitor the performance of the Council's anti-inflationary programs.

SEC. 2. Section 6 of the Council on Wage and Price Stability Act is amended to read as follows:

□ 1445

Mr. MOORHEAD of Pennsylvania. I rise in support of the amendment, Mr. Chairman.

The CHAIRMAN. The gentleman is recognized for 5 minutes.

Mr. MOORHEAD of Pennsylvania. It is really self-explanatory. It says the Council shall hold regional hearings and shall enlist voluntary individual and group participation from the public to help monitor the program.

Mr. Chairman, I think that this is a useful amendment and I have a letter from the Council on Wage and Price Stability referring to this amendment which was offered in committee by the gentleman from Minnesota (Mr. VENTO).

The letter from the Council says:

The Council has no objections to the intent of the amendment offered by Representative BRUCE VENTO calling for regional hearings and voluntary public participation in the monitoring of inflationary developments.

I will be delighted to yield to the gentleman from Minnesota (Mr. VENTO), the author of the amendment.

Mr. VENTO. I thank the gentleman for yielding.

I appreciate the gentleman's support. I appreciate obviously the support of the Council and the administration in terms of this amendment.

Now I want to explain that this amendment grew out of my concern based on testimony that was presented before the Subcommittee on Economic Stabilization.

It grew out of the concern expressed by Mr. Kahn in terms of their efforts to obtain cooperation on a voluntary basis with various groups that are interested in monitoring their program, and it grew out of the necessity to provide an opportunity for education, for dialog, for rapport of the activities of the standards of the Council on Wage and Price Stability with the general public.

We have here I think a heavy duty to make certain that communication is obtained, that it is facilitated. This amendment would certainly accomplish that.

I feel strongly, that the Council on Wage and Price Stability's program will only be successful insofar as it can reach out and tap the voluntary resources in the various communities throughout this Nation to have a successful program that deals with inflation. That is precisely the purpose of this amendment, and precisely what it can do.

If you will look at the Council on Wage and Price Stability and recognize the number of employees that are encompassed in the structure and authorized, by this legislation and hopefully by a supplemental bill which will follow to pay for the staff they have begun to hire, the expertise they need, in order to carry forth this modest program, you will recognize they have a role there in terms of public participation.

For instance, the Office of Chairperson, they have 17 percent; the Office of Director, 5 employees, the Government Program Regulations, incidentally, is increased up to 24 employees; Price Monitoring is 89; Pay Monitoring, 36; Public Information is increased to 16; Planning and Policy, 12, and so forth.

There is another mixture of almost 35 employees in various other capacities.

We recognize if we are going to be successful in terms of the program in getting across the concepts, the only way we can do that is with the strong public support and positive support of various groups in our economy, whether business groups, union groups, or consumer groups, but you have to get out there and communicate with them. That is the purpose of the regional hearings. They can go out and start to answer questions and tell people about the program that they have.

Secondly, you have to provide a positive opportunity for groups to develop meaningful data, to report in a meaningful way to the Council.

Not everyone can afford to come to Washington to communicate their viewpoint to the Council on Wage and Price Stability. Some groups can but many others cannot. Not all are going to have the expertise for instance to write a letter yet much better the input if it is done in a way and the data is collected in such a way that it is meaningful. I point out that this amendment gives the Council on Wage and Price Stability considerable flexibility. The standard and regional bases are looked at after they have been implemented. There is no hurdle here or stumbling block to the facilitation and the implementation of the standard. Furthermore there is no requirement as to how they deal with the different groups and it deals with a wide variety of groups in terms of providing the opportunity for participation.

□ 1450

So I think we want to amplify public concern and public participation. We do not want to stifle that by eliminating amendments such as this. We want to put it on a realistic basis. I feel this amendment does that. I think it deserves the support of the Members. Some of the fears that have been raised will, I hope, be satisfied with my explanation.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the committee amendment.

Mr. Chairman, it is very seldom that I disagree with my friend, the gentleman from Minnesota (Mr. VENTO) on this issue of fighting inflation. But I have to say that I think his amendment to this legislation which comes to us in the form of a committee amendment is superfluous. That would be the greatest understatement that I could possibly make.

I would refer the Members to a statement of President Carter back on April 15, 1977, when he discussed the role of the Council on Wage and Price Stability in fighting inflation. He said:

It will also continue to hold occasional public hearings on major inflation developments, as a means of improving public understanding and providing the public with an opportunity to make its views known.

So already in a voluntary way and with the instruction of the President, this amendment is part of the mandate of the Council on Wage and Price Stability.

However, I would suggest that if we are to follow through with the gentleman's amendment, which we see before us now as a committee amendment, we are going to get ourselves in some very serious trouble.

No. 1, this is a very small agency, one whose resources and manpower are already so overburdened with the mandate of the Government that I do not think it is possible or realistic to consider having them carry out this type of traveling road show. I think they have enough of a job telling the Congress, telling the public, and telling business and labor who is running amok within the field of inflation.

Consider the effectiveness of these proposed hearings on a regional level, especially after the implementation of these different actions.

The Council is already hard pressed to conduct briefings and briefing sessions to explain to the public, as well as to business and labor, as I stated before, what the problem is. Such an additional burden would not increase the impact in the anti-inflation fight. Rather, it would dilute their duty of monitoring inflation and telling us where the problems are. It would dilute their role in fact in fighting inflation. It would place undue emphasis on actions in the private sector while giving lesser attention to Government inflationary actions.

The problem we have heard from speaker after speaker is right here. The problem is monitoring and telling the American people where the problem is on the outside. The Government is not the only "bad player" on the inflationary scene. The consumer, you and I, also play part of the role by not knowing what the facts are, not knowing where we are getting gouged, and not knowing who is living up to the guidelines.

On top of that, Mr. Chairman, nowhere in the Council on Wage and Price Stability budget is there any allowance for this type of hearing. Nowhere in their organizational chart is there any allowance for the people to do this.

In fact, I made reference earlier to Mr. Kahn's use of "bananas and kumquats" instead of the words "recession," "inflation," and "depression." The poor man is so busy in front of Congress—I think he has been here 154 times—I do not know how he can monitor anything. When he does come in front of Congress, our colleagues on the other side of the aisle, sometimes all of us, throw up our arms and say, "Don't use that nasty word. Don't say it."

Now we are going to require him to go around the country and make regional appearances and have a traveling roadshow on top of all of everything else.

I would suggest to the Members that we go right back to where we started on this whole matter, and that is to give Mr. Kahn and Mr. Bosworth the time to concentrate on where the evils are. They should concentrate on the evils in government, the evils in overspending on our part, the evils in overregulation, and the evils on the part of business not al-

ways being quite where it should be, as well as the evils of labor.

What Mr. Kahn and Mr. Bosworth have got to do is to sort out what I call an impossible triangle. All the people in government say it is all the problem of business and labor, the people in labor say it is the problem of government and business, and all the people in business say it is the problem of government and labor.

Let us get the facts out in front of us. Let us not further complicate this already understaffed and overworked—hopelessly overworked—agency by sending them out on road tours.

Last year I went out on a very successful road tour to the hometown of my good friend, the gentleman frm Minnesota (Mr. VENTO). I think that did something; it proved something. It showed how a city could survive.

I think the problem Mr. Kahn and Mr. Bosworth have is right here in this community, where most of the problems in this country stem from.

Mr. Chairman, I urge the defeat of the committee amendment.

Mr. VENTO. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Minnesota.

Mr. VENTO. Mr. Chairman, I want to welcome back my good friend and colleague and my traveling companion, the gentleman from Connecticut (Mr. McKINNEY), to the Congress, although I do disagree with him on this.

We are going to have an opportunity to work together and talk this through. Certainly I want to point out that it is not our intention to overburden the Council by the implementation of standards.

I think the intent here to somehow make a scapegoat of the Council on Wage and Price Stability is really unjustified. We have to look at the situation and consider the complex dealings with Government. I would point out that we have an authorization of 16 employees dealing with Government cost problems, and I also point out the 89 employees would be trying to deal with prices; then we have about half that number dealing with the wage aspects.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has expired.

(By unanimous consent, Mr. McKINNEY was allowed to proceed for 1 additional minute.)

□ 1455

Mr. McKINNEY. I would just like to point out to my good friend one other real problem. There is something else this country is looking for us to do something about, and that is called the energy problem. What I am afraid you are going to do with this type of an amendment is to parochialize the inflation fight. We have already parochialized the energy problem to the Northeast, the Southwest, the Northwest. There seems to be nowhere in the world we can go to get the cure for something that is destroying the United States of America. I would hate to see us regionalize the fight on inflation. What is good for the orange grower is not necessarily good for other groups. This has to be a problem looked at from a national basis, controlled on a national basis and monitorized on a national basis.

Mr. VENTO. It is not my intent to polarize the policies and standards as they apply to the varied regions. I think the Council has intended and thinks they are to some extent accomplishing the purpose of my amendment. I am trying to mandate it so that they do get out there, and I suppose in that sense the gentleman may have some argument with the mandate.

The CHAIRMAN. The time of the gentleman from Connecticut (Mr. McKINNEY) has expired.

(On request of Mr. HYDE, and by unanimous consent, Mr. McKINNEY was allowed to proceed for 1 additional minute.)

Mr. HYDE. Mr. Chairman, will the gentleman yield?

Mr. McKINNEY. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Chairman, as I understand this amendment, the monitors will be monitoring the monitors. But it would seem to me that this Economic Stabilization subcommittee of the Banking Committee has that assigned task. Does not this subcommittee have the task of oversight concerning the Council on Wage and Price Stability?

Mr. McKINNEY. That is absolutely right. The gentleman is correct.

Mr. HYDE. So then we have a statutory monitoring or oversight function. We would have the monitoring function of these consumer groups out in the field, and then we have the very function of this Council to monitor. So we have three monitors. I just wonder where the *Merrimac* is.

Mr. McKINNEY. I think, if the gentleman will give back the time he so graciously obtained for me, what we would have is everyone saying, "Stop inflation there; don't stop it here."

Mr. HYDE. I thank the gentleman.

Mr. BARNARD. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the committee amendment.

Mr. Chairman, I also want to welcome back my colleague, the gentleman from Connecticut (Mr. McKINNEY), and I would like to say that I am delighted that he has come back with all of the vim and vigor and vigilance in opposing an unnecessary piece of legislation.

No one doubts the good intentions of the authors of this amendment or the action of the Banking Committee in passing it, but it is another example of how Congress can overreact.

Mr. Chairman, I rise to oppose the amendment to add provisions to the bill authorizing public monitoring of compliance with the voluntary anti-inflation guidelines. Part of this amendment is unnecessary, and the rest of it is unwise and counterproductive.

If this amendment is approved, numerous vigilante-type groups will spring up and try to judge a company's compliance from surveys of supermarkets and individual stores. Since each company's compliance is based on a weighted average of price increases for its entire product line, there is no way that any independent group will be able to judge without knowledge of all products, including industrial ones, in all areas of the country, and the prices asked for those products in the past.

To give you an example, soon after the guidelines were established, I received a letter from one of my constituents who was very upset about the price of Campbell's tomato soup. It seems that he went into the market one week and bought a can for 29 cents, but the next week, the same soup cost him 49 cents. As a result, he was hopping mad and wanted me to do something to the Campbell's soup people to make them abide by the guidelines. It turned out that the soup had been on sale at 29 cents a can, and normally cost 49 cents.

If this amendment is passed, we are going to have hundreds upon hundreds of people who search stores looking for individual items that have gone up over 7 percent. They are not going to take into account commodity price increases, wage and benefit changes, or other factors that allow prices to rise by more than 7 percent and still allow the producers to be in compliance with the guidelines. In addition, they will not be in a position to judge whether a retail store is using the standard price guidelines or the "percentage margin" standard.

The result will be misunderstandings, bad feelings, and a loss of trust between business and consumer. It would be a grave mistake to encourage this witch hunting and give it official sanction.

I have favored public participation in Government decisions for as long as I have been a Member of this body. However, I believe that it should be in a responsible and useful manner, and not in such a way that would flood the Council with meaningless statistics.

The law in its present form already requires hearings be held for public scrutiny of inflationary problems of the various sectors of the economy in section 3, paragraph 4. As the individual consumption sector is the most important part of our economy in dollar terms, this paragraph already requires the Council to hold public hearings on the effects its actions have on consumer interests. It has been normal government practice for some time to hold regional hearings on matters that affect the public, and I am sure that all of us agree that the Council must hold these hearings across the country, much as they are now holding regional workshops on the implementation of the guidelines. If they are not, let it be stated right now that it is the legislative intent of paragraph 4 of section 3 that they do hold these hearings in the many regions of the country. With that done, it is simply up to us to see that the existing mechanism under the law is used. There is no need to tack on another part that duplicates what is already part of the law.

Mr. Chairman, this amendment would

simply hinder the voluntary anti-inflation effort. This is an issue that is too important to open up to demagoguery and misguided, if well intentioned, efforts. I ask that my colleagues join me in defeating this amendment.

□ 1500

Mr. KELLY. Mr. Chairman, I move to strike the last word, and I rise in opposition to the committee amendment.

It is hard to believe Mr. Chairman, that any Member of this Congress could think that we need to find out from the public whether they think that we are undergoing a series of inflationary impacts to our economy. I do not know about the rest of the Members of this body, but I got the message from the people in my district and from every other section of the United States that we are suffering from inflation, and I do not think that we need to expend the money to have someone go out and find out if the people think we are experiencing inflation.

I think really what the purpose of this particular amendment is, is to provide for a more effective way for the Council on Wage and Price Stability to act as a scapegoat for the mismanagement of the American economy. Oftentimes it is a fact that the public fails to appreciate why prices are what they are. The public fails to realize that every mismangement that is imposed on this Nation by the Government must be collected for at the time items are sold, whether they be large or small. So that, every item that is sold on the American market must have the task of collecting the increase in taxes that were imposed on the workers by inflation; the increase in wages that were imposed by congressional mandate in the form of minimum wage increases without any thought of increases in productivity; every impractical regulation that is imposed by Government must be collected for at the time every item is sold.

And so, what the backers of this whole Council concept want to do is to try and blame the private sector for all of the inflation that has come about in this country. This particular device would just simply cause the public to feel that if the can of soup which was earlier referred to goes up, then the store manager must be the culprit. Even though it may be that the store manager did not have anything to do with the price going up, that it was something that was passed down to him from 47 different sources.

And so, this is unnecessary. It is mischievous. It is intended to simply cause the focus of attention to be directed from the mismanagement of our Government and its economy by this Congress and the administration, and to try and blame the private sector. It is just an opportunity to accentuate the bad features of a bad piece of legislation. I urge that the amendment be defeated.

Mr. Chairman, we have heard much these past few years about using the Government to protect the consumer. A far more urgent problem is to protect the consumer from the Government.

The Vento amendment proposed to hold meetings around the country so that voluntary groups and individuals can monitor business adherence to the Council's so called anti-inflation program. At a time when the Nation and this Congress is demanding budget restraint and elimination of unnecessary spending is it prudent to provide an expense-paid forum for Nader Raider groups at the taxpayers' expense?

That is the good news.

The bad news is that the volunteer price monitoring would be unfair, counterproductive, and ultimately mischievous.

Unfair—because the only prices the vigilantes can monitor will be retail prices. Private monitoring will not look to commodity prices; that is, steel, agricultural products, wage and benefit increases or to Government fiscal and monetary policies which have a far more direct and significant impact on inflation than the pricing decisions of retailers.

Make no mistake, the volunteer-vigilantes will only concentrate on the local store, the local retailer. To make the local retailer in your district the whipping boy for our national inflationary woes is the worst kind of public policy.

The regional meetings are misguided and mischievous. Each company price standard applies to the average of all its prices, rather than to the price of any individual item. A casual observer of the prices of a few items has no way of knowing whether the company is in compliance or not. Like other businesses, retailing's compliance with the price standard does not require it to control individual items, but rather to moderate average price increases. It is absurd and ridiculous to expect a few part-time regulators to interpret price guidelines when the Wage and Price Council has difficulty judging its own compliance formulas.

If you want a platoon of self-appointed price vigilantes harassing the retailers in your district, then vote for the Vento amendment. If you want another costly, bureaucratic government program inspired by narrowly focused Nader-type groups set loose to attack favorite targets in your district—then vote for the Vento amendment.

The vigilante approach to wage and price controls is unfair, ineffective, costly and probably the worst legislative idea of 1979. Vote "no" on the amendment and consign Mr. VENTO's idea to the obscurity it so richly deserves.

□ 1505

Mr. VENTO. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, I think that there obviously have been a great deal of "buzz" words used to describe some of the amendments. I did try to address some of those concerns in my initial statement.

Mr. Chairman, let me just go over some of the concerns. First of all, there is a suggestion that the Council already has authority to do this. The Council, of course, can hold public hearings, as necessary, to provide for public scrutiny of inflation problems, which we are talking about specifically, not just about general problems of inflation.

This amendment provides for a discussion of the standards which have been established in terms of dealing with inflation.

I might point out to my friends that it is not just the way in which it affects prices, but the way in which it affects the wage standards, the Government standards, the other standards which are developed in terms of the total anti-inflationary programs which the Council may develop.

I might point out, too, that the Chairman of the Council, Mr. Kahn, in testifying before our committee, made a couple of salient points.

On page 21 of his testimony, at the bottom, he says the following:

> Even at the increased level we are requesting, the numbers are small indeed, particularly in light of the public response that the program has generated so far. We simply must be responsive to people who wish to comply and to help—be they representatives of big labor or small, big business or small, or just the private citizens complaining about an increase in the price of bread.

Mr. Chairman, those are the Chairman's words. He said further:

> The public is sadly ill-informed about the many hidden costs of our protected society. The contribution of each single price-inflating policy to the overall inflationary result will always seem small, hardly worth fighting over; the people who are injured by it will ordinarily be widely dispersed and ill-organized and the stake of each individual policy or action will be small. In contrast, the beneficiaries will typically be relatively few and well-organized, and the stake of each will be large.

Mr. Chairman, I think that this attempt today is, in many instances, a misinformed attempt to stifle public participation in just the sort of standards we want, standards which we should attempt to evaluate in terms of the regional hearings, which are intended to provide a positive opportunity.

There seems to be a suggestion that somehow we can stop free association or participation by preventing this amendment from being enacted. Does that mean that we are going to prevent other groups from monitoring prices? Absolutely not. We could take this amendment out of the bill, but we will not prevent consumer groups from monitoring prices; we will not prevent business from monitoring wages; and we will not prevent unions from monitoring prices.

We cannot do that by defeating this amendment. However, we will prevent the Council on Wage and Price Stability from having a chance of working with those groups. In other words, my amendment mandate that they work with these groups so that those who want to make a positive approach and those who want to have a positive effect in this instance will not be prevented from doing so.

Mr. Chairman, some Members are saying, "We do not want you to function positively; we want you to function negatively."

Mr. Chairman, I am asking the Members to provide a framework, to provide a mandate to the Council on Wage and Price Stability so that it will go out into the field to hold hearings and will get out of Washington. They will do that. I think it is encouraging; I think it is their responsibility; and I think the minority in general wants that.

When we look at the minority report, there are several instances in which they are seeking cooperation, where they recognize the limits of the 233 people working in Washington, D.C., in terms of dealing with the standards.

The report recognizes that situation. The Members who signed it should also recognize it.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. VENTO. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I thank the gentleman for yielding.

The necessary message is the one that Congress gets, and the Council on Wage and Price Stability is not the one which needs the message. The Congress is the one which needs the message.

If we have not gotten the message about the American people being fed up with governmental mismanagement and inflation, then certainly this device is not going to help. Because all we are getting ready to do is just to spend more money.

Mr. VENTO. Mr. Chairman, I thank the gentleman for his insight. I think the Congress has the message.

We are talking about the standards of the Council on Wage and Price Stability and what its activities are. That is what we are focusing on here.

Some may think that that is inadequate, that the standards they set up in dealing with total inflation problems are inadequate. I agree with them that that, in and of itself, these standards are not enough.

□ 1510

We need hospital cost containment. We need more vigorous enforcement of antitrust laws in the Department of Justice. We need the other programs that are lined up in terms of dealing with and fighting inflation, whether it is dealing with imports or dealing with the trade deficit. Those are serious problems, as is the monetary problem.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I take this chance to discuss briefly what I consider to be an add-on to this bill that makes it worse. This just adds on the kind of extra bureaucratic nonsense that people out in the general society are trying to tell us we should stop doing to them.

The gentleman from Minnesota (Mr. VENTO) who very eloquently talks for his add-on bureaucracy—and that is what he is asking for—talks about buzz words. I read his little language here, and he has lots of buzz words in here about the consumer. He also has a phrase called "other major actions which affect general consumer interests."

What does that mean? What does that mean, can the gentleman tell us?

Mr. VENTO. If the gentleman will yield, yes. It means the other actions that the Council might take in pursuit of these particular standards.

Mr. ROUSSELOT. Like what?

Mr. VENTO. The action of the Council. They already have a number of these.

Mr. ROUSSELOT. Did they ask for this language?

Mr. VENTO. The Council? I worked this language out with the Council on Wage and Price Stability.

Mr. ROUSSELOT. This specific language, "other major actions which affect general consumer interests"—what is that going to do for them?

Mr. VENTO. I think this language is not narrow.

Mr. ROUSSELOT. It certainly is not narrow. It is the widest language possible.

Mr. VENTO. Would the gentleman from California like to have me answer the question?

Mr. ROUSSELOT. Yes. What does it do?

Mr. VENTO. It tries to encompass and envision the point that the Council will have an ongoing role in terms of dealing with inflation problems and they ought to go out and hold regional hearings for the actions they take. Indeed, they are trying to do that, and I would hope that the gentleman would favor this. I submit that the involvement of the public and voluntary contribution will limit the establishment of the bureaucracy. That is the point of the amendment, so I would ask the gentleman to look at it from that point of view.

Mr. ROUSSELOT. Those are fine buzz words. I do not think that does anything for the Council, but I thank the gentleman for zero. I thank him for trying to explain his additional buzz words.

My understanding is that the committee heard no testimony on what the add-on costs of these regional meetings would be—nothing. I am informed by the Committee on Appropriations that they have had no testimony to find out what the impact of this language would be. I can tell my colleagues on the basis of past experience of adding these kinds of buzz words and this kind of beautiful language for extra regional hearings—whatever those are going to mean—if you want to have a hearing, go have one in your own district and invite in all the consumer groups and have them talk to you. We all get them anyway when we go back home, as most of us do every other weekend or so.

The point is we do not know what this thing is going to cost, and I think on that basis alone we ought to turn down this amendment. It makes a bad bill much worse, in my judgment, and adds nothing to really help stop inflation. That is what the purpose of this bill is supposed to be, although I do not think it does it. But this added amendment by Mr. VENTO does nothing.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I yield to my distinguished colleague, the ranking member of the Committee on Banking, Finance and Urban Affairs.

Mr. STANTON. I appreciate my colleague's yielding.

I think it should be very clear for the record that several times it has been mentioned in connection with the amendment that this will give us regional hearings. I think the membership should know that we will have regional hearings with or without this amendment on the subject of inflation sponsored by this Council. I bring that to the Members' attention, because in Ohio very recently the question came up that the Council wanted to come out and monitor the general subject of inflation. The Lieutenant Governor was going to handle it, and the Governor said, No, I will personally cooperate with the committee in handling this all-important subject, inflation. They are going to have a regional hearing out in Ohio, and they do not need this particular amendment in order to accomplish it.

So I join the gentleman and those who have gotten up to speak strongly against the amendment. It is totally unnecessary. I can envision the vast, overwhelming amount of money, which they may or may not get, depending upon further amendments here this afternoon, going toward these things, and it would be getting far away from the goal that some of us in supporting this legislation would want to utilize this money for. I just hope we will vote down this amendment.

□ 1515

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. VENTO. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. Evidently a quorum is not present.

The Chair announces that pursuant to clause 2, rule XXIII, he will vacate proceedings under the call when a quorum of the Committee of the Whole appears.

Members will record their presence by electronic device.

The call was taken by electronic device.

□ 1525

QUORUM CALL VACATED

The CHAIRMAN. One hundred Members have appeared. A quorum of the Committee of the Whole is present. Pursuant to clause 2, rule XXIII, further proceedings under the call shall be considered as vacated.

The Committee will resume its business.

RECORDED VOTE

The CHAIRMAN. The pending business is the demand of the gentleman from Minnesota (Mr. VENTO) for a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 128, noes 282, not voting 22, as follows:

[Roll No. 45]

AYES—128

Addabbo
Akaka
Annunzio
Aspin
Bailey
Baldus
Barnes
Bellenson
Benjamin
Bennett
Biaggi
Bingham
Blanchard
Bolling
Bonior
Brademas
Brodhead
Brooks
Brown, Calif.
Burlison
Burton, John
Burton, Phillip
Byron
Carr
Cavanaugh
Conyers
Corman
Cotter
D'Amours
de la Garza
Dellums
Diggs
Dixon
Dodd
Donnelly
Downey
Drinan
Eckhardt
Edwards, Calif.
Ertel
Evans, Ind.
Fascell
Florio
Ford, Mich.
Garcia
Gephardt
Giaimo
Gray
Hall, Ohio
Hanley
Harkin
Harris
Hawkins
Holtzman
Howard
Kastenmeier
Kildee
Lederer
Lehman
Leland
Long, Md.
Lowry
Lujan
Lundine
Maguire
Markey
Matsui
Mattox
Mikva
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moffett
Mollohan
Moorhead, Pa.
Motti
Murphy, Ill.
Murphy, N.Y.
Myers, Pa.
Nedzi
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Price
Rahall
Ratchford
Reuss
Richmond
Rodino
Roe
Rosenthal
Roybal
Sabo
Schroeder
Seiberling
Shannon
Simon
Smith, Iowa
Solarz
Spellman
St Germain
Staggers
Stark
Stewart
Stokes
Studds
Thompson
Van Deerlin
Vanik
Vento
Walgren
Waxman
Weaver
Weiss
Williams, Mont.
Wilson, C. H.
Wolff, N.Y.
Wolpe, Mich.
Wright
Yates
Zablocki
Zeferetti

NOES—282

Abdnor
Albosta
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Bereuter
Bethune
Bevill
Boggs
Boland
Boner
Bonker
Bouquard
Bowen
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
Deckard
Derrick
Derwinski
Devine
Dickinson
Dicks
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Fary
Fazio
Fenwick
Findley
Fish
Fisher
Fithian
Flippo
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammer-schmidt
Hance
Hansen
Harsha
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Luken
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
McKinney
Madigan
Marlenee
Marriott
Martin
Mathis
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Moakley
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nelson
Nichols
Nowak
O'Brien
Panetta
Pashayan
Paul
Perkins
Peyser
Pickle
Preyer
Pritchard
Pursell
Quayle
Quillen
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Rostenkowski
Roth
Rousselot
Rudd
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stanton
Steed
Stenholm
Stratton
Stump
Swift
Symms
Synar
Tauke
Taylor
Traxler
Trible
Ullman
Vander Jagt
Volkmer
Walker
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wyatt
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.
Young, Mo.

NOT VOTING—22

Alexander
Ambro
Anderson, Calif.
Applegate
Breaux
Crane, Daniel
Crane, Philip
Dingell
Edgar
Ferraro
Flood
Leach, La.
McHugh
Marks
Nolan
Rangel
Runnels
Scheuer
Stockman
Thomas
Treen
Udall

□ 1540

The Clerk announced the following pairs:

On this vote:

Mr. Flood for, with Mr. Leach of Louisiana, against.

Mr. Rangel for, with Mr. Philip M. Crane, against.

Mr. Runnels for, with Mr. Thomas against.

Messrs. ROBERTS, STRATTON, and NICHOLS changed their vote from "aye" to "no."

Mr. LELAND changed his vote from "no" to "aye."

So the committee amendment was rejected.

The result of the vote was announced as above recorded.

□ 1545

AMENDMENT OFFERED BY MR. WYLIE

Mr. WYLIE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WYLIE: On page 2, line 22, strike the following: ", which shall remain available until expended".

Mr. WYLIE. Mr. Chairman, I do not believe that I will need the full 5 minutes to explain this amendment. It should be easily understood. As has been said, on page 2 at line 22, my amendment would strike out the words "which shall remain available until expended." What my amendment would do would be to prohibit the carryover of unexpended balances in funds not spent by September 30 of 1979.

This bill would authorize a total of $6.9 million for fiscal year 1979, which is an increase of $5.19 million over the appropriation for fiscal year 1979. That is a 300-percent increase for this year alone. In addition to that, if all the money is not spent by September 30 of this year, without this amendment any unexpended balance would be carried over until next year. That is contrary to the Budget Control Act which we have already enacted. It is contrary to our efforts and is an exception to our efforts to place a lid on our fiscal year budgets.

As I say, this is a 300-percent increase for salaries and benefits for an increase of 194 employees from 39 employees to 233 employees to monitor the private sector wages and prices. Almost none of this money, or almost none of these employees would be used to control or monitor Government-mandated inflationary actions. The funds would be used, as I said, for a cosmetic educational campaign.

□ 1550

Now, during the committee hearings, it was said, by the Congressional Budget Office and I quote:

> Until such time as the Council can hire the additional personnel needed (194 additional employees), it is using the employees detailed from other agencies and money from the President's unanticipated needs fund.

Now, there can be no doubt as to what the carryover money is to be used for, after I have read that statement from the Congressional Budget Office. It is to carry over moneys to hire additional employees, as I have said, to monitor private sector wage and price control mechanisms. Over and beyond that, it does violence to the Budget Control Act. It is an exception to our efforts to fix a lid on a fiscal year budget, and I believe that we are increasing the Council's budget enough beyond September 30, 1979.

We are increasing the authorization, as I said a little earlier, from a fiscal year 1979 appropriation of approximately $1.7 million to over $6.9 million for this fiscal year, and in the next fiscal year there is another $8.4 million and the following fiscal year another $8.4 million would be authorized; so I think that it is in our best interests not to have this carryover authority in the legislation.

I think that by conducting this cosmetic wage and price campaign the effort will be to detract from the real cause of inflation, which is Government spending and Government regulation.

I ask support for my amendment.

Mr. STANTON. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I am glad to yield to my friend, the gentleman from Ohio, the ranking minority member.

Mr. STANTON. Mr. Chairman, I think the gentleman has got an excellent amendment. It came up in the committee.

Let us explain it this way and see if the gentleman corrects it, see if the gentleman states I am not right.

Last year this Council appropriated $2,210,000. We changed that up to $6,952,000; is that correct, from $6,952,000?

Mr. WYLIE. Congress authorized $2.2 million. The Committee on Appropriations appropriated $1.7 million.

Mr. STANTON. But in its authorization, we moved it to $6,952,000.

Mr. WYLIE. That is correct, just for the last half of this fiscal year.

Mr. STANTON. Six months, until September 30.

Mr. WYLIE. Precisely correct.

Mr. STANTON. You do not touch that amount?

Mr. WYLIE. I do not touch that amount.

Mr. STANTON. If they want to expand this from 23 or 39 employees to 233 that they anticipate with this legislation, you do not affect that.

Mr. WYLIE. I do not affect that.

Mr. STANTON. All the gentleman's amendment does is strike out the words, "remain available until expended"; is that correct?

Mr. WYLIE. Yes, and the basis on which the Council on Wage and Wage Stability says it needs this authority is that it might not be able to spend the $6.9 million by September 30, 1979.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. STANTON, and by unanimous consent, Mr. WYLIE was allowed to proceed for 1 additional minute.

Mr. STANTON. Mr. Chairman, if the gentleman will yield further, after September 30, then we go into the next fiscal year and this committee hopefully, maybe no, but hopes to authorize $8,483,000 for that year; is that correct?

Mr. WYLIE. Well, I have not touched that; that is right.

Mr. STANTON. I think it is an excellent amendment and certainly deserves a quick voice vote.

Mr. WYLIE. I thank the gentleman very much for his support.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, this amendment was offered in the full committee and was considered and defeated by a voice vote. If the Members will look at the bill itself on page 2 at the bottom, sections 1, 2, and 3, they will notice that the language which the gentleman from Ohio objects to does not appear for either fiscal year 1980 or fiscal year 1981.

Fiscal year 1979 is unusual because it is a start up year. The agency has been operating with personnel borrowed from other agencies, and just tidiness in taking the money paid back might cost us money if we were to pay it a year early to comply with those amendments.

□ 1555

Let me briefly read to the Committee a letter to me dated March 19, 1979, by Barry Bosworth, director of the Council on Wage and Price Stability.

Finally, I understand that an amendment may be proposed that requires the Council to spend all of its FY 1979 supplemental appropriations by September 30, 1979—the end of the fiscal year. Normally, we would have no objections whatsoever to this stipulation.

Insert that this is proven by the fact they do not make this request for fiscal year 1980 or fiscal year 1981.

For FY 1979 alone, however, we would prefer to have funds remain available until expended. Some of these funds, as you know, will be used to reimburse other Council member agencies for personnel, equipment, and other services they provided us at the outset of the anti-inflation program. This repayment will be a complicated process that we would prefer not to rush at the end of the fiscal year. The language in the bill as it now stands will allow us to continue this repayment process in the most equitable manner possible.

For good bookkeeping, for sound management, this amendment should be defeated and I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Under any other circumstances I probably would be supporting my colleague's amendment. However, I call to the attention of this House this is a very unusual situation for this year and this year only. All of us have experienced in working with the agencies when they try to gear up to take on a much increased job. I think it is only fair that we give them the latitude for this one year to carry over some money and make sure we close the door tightly in subsequent years.

I oppose the gentleman's amendment. I support the bill in its entirety without any further amendment.

Mr. Chairman, I rise in support of the bill, H.R. 2283, to extend for 2 years the authority of the Council on Wage and Price Stability, but I do so with some reservation.

During the Banking Committee's consideration of this proposal, I expressed my concern about the need for a special exemption for low-wage workers. Similarly, today, I would be remiss if I failed to reemphasize the importance of not creating a scapegoat for our inflation problem. That is, any anti-inflation proposal or related legislation is unacceptable if it fails to recognize the unique experience of the working poor. For it is this group that, past and present, has borne without recourse the costs of inflationary pressures reflected in rising health, fuel, and food prices. Moreover, to the extent that we do not give adequate consideration to the needs of the working poor, we create forces that invariably undermine and render ineffective the various voluntary proposals to combat inflation.

The shifting of emphasis by the administration and the Congress from unemployment to inflation tends to permeate policies and the resulting programs created to monitor and analyze inflationary developments. Ironically, the people who were supposed to have been helped by the earlier administration programs end up suffering twice: not only do they not benefit from unemployment programs, but they also are expected to suffer from anti-inflation programs. Additionally, the working poor who often struggle to make ends meet, frequently are not eligible for Government assistance. Once inflation is warranted higher priority than unemployment, there are direct attempts to reduce inflation to the detriment of low-income workers. As such, many of the anti-inflation proposals operate on the premise that unless low-income workers accept wage restraint, inflationary pressures cannot be brought under control.

Often, the response by some businesses is to lay off workers whom they view as attributing to rising costs and reduced profit margins. I would submit that the working poor is the group least responsible for our present inflation problem. But whenever an economic crisis emerges in this country, it appears that the working poor is asked to accept the largest share of the responsibility for solving the problem.

Since these persons do not have any recourse against rising prices or unemployment, which they can expect to experience with some predictable regularity, they should not be expected to bear the costs associated with controlling inflation. Most working poor families do not own homes or other capital assets, which often serve as hedges against inflation. Therefore, they should not be asked to accept unemployment—lest they will have become the perennial scapegoat for our economic woes.

I applaud the Banking Committee for incorporating language in its report to reflect the special problems of these workers, a group typically earning less than $4 an hour. The Council on Wage and Price Stability was designated to promulgate and monitor the voluntary program of specific wage and price standards. During the first year of the program, they would evaluate wage increases for this group. If workers earn less than $4 an hour, and are able to win wage and fringe benefit increases of more than 7 percent, there would be no violation of the pay standard by the employer granting the increase.

Although the Banking Committee does not recommend any specific figure for the low wage exemption, the $4 figure is a benchmark and thus would exempt approximately 40 percent of the hourly paid workers in the labor force. In the case of one-worker families of four, whose wages are at the $4 or lower level, their annual incomes are well below the minimum or lower-level budget for urban families established by the Labor Department. Given the present trend of rising prices, it would require hourly earnings in excess of $5 this year for a single wage-earner to earn the lower-level budget for his family.

In 1971, when Congress acted to amend the Economic Stabilization Act of 1970, it created a special exemption under the economic controls program for the wages of the working poor, and directed that wage increases to such persons would not be subject to restraints. Indeed, the past sagacity of the Congress should not be eroded in the proposal before us. Therefore, I would urge my colleagues to support this bill, particularly the thrust of this report language, lest we place a

disproportionate burden for controlling inflation on the poor and near-poor.

Mr. WYLIE. Will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be glad to yield to my friend from Ohio.

Mr. WYLIE. As I understand it from the language in the letter you just read from Mr. Bosworth he is saying that employees were borrowed for the Council on Wage and Price Stability from other departments and now the Council on Wage and Price Stability must pay them back. This unexpended balance is to go to pay them back for those employees they have already used?

Mr. MOORHEAD of Pennsylvania. No. If the gentleman will yield, the money will go there anyway. It is a question in your amendment as to whether there will be in this complicated bookkeeping and rush to get this money paid back and all the other accounts straightened out. It is very complicated because of its start-up process. We may end up wasting money or not being able to properly account for it if we force this hurry-up September deadline on that payment. This is the reason for that language, to be paid in that year and that year only.

Mr. WYLIE. These employees who were borrowed from other departments have not been working for their health. They have been paid by the Federal Government up to now, which seems to me to be a good procedure. It just seems to me to be all the more reason why we do not need this carry-over provision which would say that the money shall remain available until extended on into the next fiscal year and the next fiscal year beyond.

I think that is all the more reason for supporting my amendment. I thank the gentleman for yielding.

Mr. MOORHEAD of Pennsylvania. The gentleman from Ohio might note that originally the Council sent up a bill with open-ended authorization. It was my belief that the duty of the legislative committee was to put a ceiling on appropriations and it is for this reason we insisted on a dollar figure. By doing what I think is our duty, I think we overreact if we accept the gentleman's amendment and have the danger of falling into a situation where we spend money we do not need to spend.

Therefore, I again urge defeat of the amendment.

Mr. McKINNEY. Will my good friend the gentleman from Pennsylvania (Mr. MOORHEAD), the chairman of the subcommittee, yield?

Mr. MOORHEAD of Pennsylvania. I will be delighted to yield.

Mr. McKINNEY. I find myself in somewhat of a quandary here. What we are seeing is, the Council on Wage and Price Stability is going to repay an agency for employees that that agency has paid, even though they did not need those employees because they have loaned them to the Council on Wage and Price Stability. Perhaps one of the ways we can cut some funding is to turn to those various different organizations who loaned those employees who have gone home with their breadbasket every 2 weeks and say, "You did not need them in the first place, you paid them and loaned them to the Council on Wage and Price Stability, so what are we going to reimburse for?"

□ 1600

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MOORHEAD) has expired.

(On request of Mr. McKINNEY, and by unanimous consent, Mr. MOORHEAD of Pennsylvania was allowed to proceed for 2 additional minutes.)

Mr. McKINNEY. Mr. Chairman, if the gentleman will yield further, perhaps what we ought to do at that point would be to turn around to the Committee on Appropriations and the Committee on the Budget and say, "Look, these agencies are loaning people back and forth, right and left. They obviously do not need them in the home shop. Why should not they be reimbursed?"

Then maybe if we agree to the amendment offered by the gentleman from Ohio (Mr. WYLIE), I would suggest perhaps the rush could be avoided by just not paying back those agencies. If they have been able to loan these employees to the Council on Wage and Price Stability and pay them out of their funds, No. 1, they do not need the employees, and, No. 2, they do not need the budget. It looks like a good place to cut costs.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I will say to the gentleman from Connecticut (Mr. McKINNEY) that this does not cut the costs. What it will do is foul up the bookkeeping, and we would not be able to monitor how they spend the money because they would be in a different situation.

I do not say to the gentleman that the Council has to shut its doors. I think they would have some pretty sloppy management if the amendment is agreed to.

Mr. McKINNEY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Connecticut.

Mr. McKINNEY. Mr. Chairman, I would suggest to my good friend that they will get the $6 million this time and the $8 million next year. What really amazes me is that we are telling them this would result in sloppy bookkeeping, and it is sloppy bookkeeping, it seems to me to pay twice for the same employee. What they are doing is giving another department money for that same employee, the one the department did not need in the first place. Maybe we ought to amend the repayment process right out of this bill.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, if that is the gentleman's purpose, this amendment would accomplish that.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I will be glad to yield to the gentleman from Ohio.

Mr. WYLIE. Mr. Chairman, this gives me a glorious opportunity to thank the gentleman from Connecticut (Mr. McKINNEY) for his support and to welcome him back to the House floor today. I know the gentleman went through a lot to get here.

I will say to the gentleman that he has been sorely missed. He is one of the most effective Members of this body, and I thank him for his support of my amendment.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I call for a vote on the amendment.

Mr. ROUSSELOT. Mr. Chairman, I move to strike the requisite number of words, and I rise briefly in support of the amendment.

Mr. Chairman, there has been a great deal of discussion during the time I have had a chance to serve on the Committee on the Budget of stopping the practice of improperly utilizing "unexpended balances." By supporting this amendment, we are eliminating an unnecessary unexpended balance.

My colleague, the gentleman from Ohio (Mr. WYLIE), is to be complimented for bringing this amendment to the attention of the body, and I hope my other colleagues who claim they disagree with the concept of leaving so much loose money available in what are known as unexpended balances will support the amendment.

Mr. Chairman, I support the concept on the basis that it is an appropriate time and place to knock this unexpended balance out.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to the gentleman from New York.

Mr. WEISS. Mr. Chairman, I was intrigued by that last argument. Is the gentleman from California (Mr. ROUSSELOT) suggesting that in the budget of the Committee on Armed Services, where there are some $21 billion of uncommitted—not unexpended but uncommitted—funds, those funds ought to be rescinded?

Mr. ROUSSELOT. Mr. Chairman, my judgment is that the unexpended balances in many of the agencies, including the Defense Department, should be checked. As a matter of fact, several of our colleagues on the Committee on the Budget, including the gentlewomen from Maryland (Mrs. HOLT), have commented on this in the past, that we really ought to know if these unexpended balances are needed and if such balances are really items that we should be carrying forward automatically.

The gentlewoman from Maryland (Mrs. HOLT) as we know, serves on the Committee on the Budget and on the Committee on Armed Services, and she has brought this to the attention of the Committee on the Budget. Other members of the Committee on the Budget have done the same in the past.

I think it is an area we need to check. Here is a specific area where we can check it definitely, and my colleague, the gentleman from Ohio (Mr. WYLIE), is to be commended for offering the amendment.

Mr. WEISS. Mr. Chairman, I thank the gentleman for stating his position.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Ohio (Mr. WYLIE).

The amendment was agreed to.

The CHAIRMAN. Are there other amendments to section 1?

AMENDMENTS OFFERED BY MR. KELLY

Mr. KELLY. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. KELLY: on line 25, strike out "; and" and on page 3, strike lines 1 and 2.

On page 3, line 5, strike "1981" and insert in lieu thereof "1980".

The CHAIRMAN. The Chair will state that one part of these amendments goes to section 3. Does the gentleman from Florida (Mr. KELLY) request that the amendments be considered en bloc?

Mr. KELLY. Yes, I do, Mr. Chairman.

Mr. Chairman, I ask unanimous consent that the amendments be considered en bloc.

The CHAIRMAN. Is there objection to the request of the gentleman from Florida?

There was no objection.

□ 1605

Mr. KELLY. Mr. Chairman, there is no need for a lengthy explanation of this amendment, because the amendment simply extends the Council on Wage and Price Stability for 1 year through 1980, rather than 2 years through 1981, as in the bill at the present time. The reason for limiting the extension for 1 year is the cost of operating the Council has tripled, and it has not and in any way been demonstrated that the Council on Wage and Price Stability is helping the inflation problem. As a matter of fact, since October of 1977, when we extended the Council on Wage and Price Stability before in October of 1977, the inflation rate has gone from 4.7 to 11.2 October 1977 and January 1979. There is certainly no indication there that the Council is in any way benefiting the management of the economy. I think the contrary would be indicated from the facts.

Mr. Chairman, since it has not been demonstrated that the Council has really had any positive impact on inflation, it would seem that at the greatly accelerated cost we would extend the Council for just 1 year and then the Congress would have an opportunity to evaluate the intervening 18 months to determine if it then appears as though the Council has done some good. If the Council is not doing any good, just think what a glorious opportunity this would be for the Members of Congress to do what they have promised—and that is to reduce the cost of Government, and especially an opportunity to reduce the cost of Government when we are not getting anything for our money. I think that this may be a little crass, but it is important to remember that the chairman of the Council on Wage and Price Stability himself said that the two factors, the monetary and the fiscal policies, are the root causes of inflation, and the Council does not have anything to do with the root causes of inflation. Therefore, to extend it for 1 year would just be modest insanity, and I would think that the best we could do would be to indulge in modest insanity in extending this Council for just 1 year rather than the plain insanity of extending for 2 years.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. KELLY. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague's yielding.

Did I understand that the Senate Banking Committee merely extended the life of this operation for a year? Is that correct?

Mr. KELLY. That is my understanding. I think that we have to remember that many times great wisdom comes from the other body.

Mr. ROUSSELOT. I do not want the gentleman to get carried away.

Mr. KELLY. It is so seldom that we have the opportunity.

Mr. ROUSSELOT. But I think in this case the gentleman is probably correct. Does the gentleman recall the rationale they used in only extending it 1 year?

Mr. KELLY. The one that occurs to me is that there has been no demonstrated good.

□ 1610

Out of deference to the President, who wishes to direct attention to the private sector instead of the mismanagement of the economy by this administration and this Congress. They would, out of deference to him, extend for the 1 year.

Mr. ROUSSELOT. So the gentleman is offering this amendment just out of deference to the President to kind of keep it going for a year?

Mr. KELLY. Well, I am really offering the amendment out of deference to the taxpayers that have to pay for the whole thing, and I am expecting them to pay for half of something that is not any good, which would be better than paying for the whole that is no good.

Mr. ROUSSELOT. That certainly sounds reasonable. I accept that.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendments.

Mr. Chairman, this amendment to limit the existence of the Council on Wage and Price Stability to 1 year was offered in the Committee on Banking, Finance and Urban Affairs, and was defeated. It was defeated because the members of the committee realized that it would be extremely difficult for the Council to attract good, able personnel if it were only a Council for 1 year's life. Mr. Bosworth has written me expressing the opinion of the Council on this. He said:

Enactment of this amendment would make our Council's work much more difficult, and we are strongly opposed to it. We have deliberately held the size of the Council small, but in so doing we are counting on recruiting people of the highest professional caliber. It will be much harder to ask people of this sort to leave their present positions, be they from universities, the private sector or different government agencies, with the ability to offer them employment for only one year. If inflation is the number one domestic problem, then we need the tools to properly address this problem.

Mr. Chairman, I think that if we want to give a message to the American people that the Congress of the United States is serious about stopping inflation, then certainly the Members should not vote for this amendment, because this is a weakening amendment. This is one of the strongest parts of the President's program against inflation.

I can assure the Members of this House and the Members of the committee who are here present that we will have frequent sessions with representatives from the Council on Wage and Price Stability. I plan on doing this at least on a 6-month interval, so we will have plenty of time.

Mr. Bosworth continues:

We are always glad to appear before your subcommittee or any Congressional committee, for that matter, to respond to questions about the Council's activities and to explain what we plan to do about the future. We feel that the uncertainties and budgetary dislocations that would take place with only one year are totally extreme and unnecessary measures.

I urge the defeat of this amendment. If we are against inflation, we should be against this amendment.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. Of course I yield to the gentleman from Florida.

Mr. KELLY. Am I not correct in saying that the overwhelming weight of the testimony before the committee was that it, in fact, is the Government through the monetary and fiscal policies that is the real cause of inflation, and that this Council has nothing—utterly nothing—to do with either of those important factors in imposing this tremendous inflation on the American public, and that this tool in fact is a tool that has nothing to do with the problem? Is not that the great weight of the testimony?

Mr. MOORHEAD of Pennsylvania. Here is the situation: To cure inflation, we have to have restraint in fiscal policy, restraint in monetary policy; and then the third leg of this will be a strong and effective Council on Wage and Price Stability. One of them alone will not do it. The way to make fiscal and monetary policy more effective is to have an agency which can stop this momentum of inflation, prices chasing wages and wages chasing prices.

□ 1615

That is the importance of this bill. We need a strong Council. A 1-year Council cannot be that strong, so let us say to the American people that we are going to go ahead on all three fronts, fiscal, monetary, and the Council on Wage and Price Stability.

Therefore, Mr. Chairman, I urge the defeat of this amendment.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

Did I understand my colleague, the gentleman from Florida (Mr. KELLY), who sits on this committee, to say that there really was not much evidence that this Council was doing that much to stop inflation?

Did the gentleman say that?

Mr. KELLY. Mr. Chairman, if the gentleman will yield, I did say that, and I did say that what I said was supported

by the overwhelming testimony which was presented before the committee.

Mr. ROUSSELOT. The overwhelming amount of testimony?

Mr. KELLY. Overwhelming, including very effective testimony from the Chairman of the Council on Wage and Price Stability himself.

Mr. ROUSSELOT. He said that?

Mr. KELLY. He did.

Mr. ROUSSELOT. My gracious.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, let me reclaim my time.

The Chairman of the Council on Wage and Price Stability said that fiscal policy and monetary policy were very important and that the Council's function was to help that policy succeed.

Again, Mr. Chairman, I urge the defeat of the amendment.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MOORHEAD) has expired.

(On request of Mr. ROUSSELOT and by unanimous consent, Mr. MOORHEAD of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, may I ask the gentleman from Pennsylvania (Mr. MOORHEAD) what Mr. Kahn said that they had done to stop inflation. What did he say?

Mr. MOORHEAD of Pennsylvania. He said that they had a number of wage increases; they had a moderating influence.

Mr. ROUSSELOT. Such as what? Which ones, did he mention?

Mr. MOORHEAD of Pennsylvania. He did, but I cannot remember them.

Mr. ROUSSELOT. They must have been important.

Mr. MOORHEAD of Pennsylvania. Also in the matter of some industry price increases.

We have to have diversity in this inflation fight. We cannot just fight on one front, not on just monetary or just on fiscal, but on all three fronts. That is the only way in which we have a hope of making this fight against inflation which is hurting all American people. It is essential that we have a strong Council on Wage and Price Stability. To cut it back to 1 year would weaken it and make it more difficult for them to get competent personnel. We would be saying that we are not really serious in our fight against inflation.

Therefore, Mr. Chairman, it is very important that this amendment be defeated.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. MOORHEAD) has expired.

(On request of Mr. KELLY and by unanimous consent, Mr. MOORHEAD of Pennsylvania was allowed to proceed for 1 additional minute.)

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. MOORHEAD of Pennsylvania. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, is it not also true that the Chairman of the Council on Wage and Price Stability said that they just needed a little bit more time, that he expected there would be some obvious and demonstrable results from their efforts on the Council within the next few months, and he indicated something like the next 6 or 8 months?

My amendment gives them 18 months. Is that not well within the framework of what the Chairman asked for?

Mr. MOORHEAD of Pennsylvania. But the gentleman fails to get the point, and that is that he cannot get the best personnel if he can only offer them a 1-year contract.

Mr. KELLY. If the gentleman will yield further, if they are not doing any good, what difference does it make to us how good they are?

Mr. MOORHEAD of Pennsylvania. I submit that this is a matter of difference between the two of us. I believe the Council is doing some good and will do more in the future; but we should help them do good for the American people, and the defeat of the amendment will be a vote for the American people.

Mr. McKINNEY. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, it hurts me, after the felicity and kind words expressed by my good friend, the gentleman from Florida (Mr. KELLY), to say that I have to oppose him. However, I find it a little difficult to go against what was the opinion of Representatives STANTON, McKINNEY, HYDE, FENWICK, Steers, HOLLENBECK, Brown of Michigan, HANSEN, GRASSLEY, LEACH, and EVANS of Delaware in 1977, in the month of May, when we said—and as the gentleman from California (Mr. ROUSSELOT) says, that was a long time ago—that the reasons stated for keeping this a 2-year funding operation are very clear. One cannot hire anyone of any competence on a 1-year basis. We have seen that time and time again.

If we are talking about inflation, we probably have wasted more money by hiring people, buying more desks, pens, and pencils, and getting stationery and then dissolving the agency than we have by having an agency come into being and do the job properly.

□ 1620

I would suggest that 1 year just is not enough time.

Mr. Chairman, at this time I submit page 16 of the report to the House dated May 13, 1977, for inclusion in the RECORD:

A two year extension for the Council underlines the importance of its role in restoring stability of our economy. For American businessmen and labor to have confidence in the government's ability to control inflation, they must be able to see a consistent and sustained effort to meet these problems. The elimination of our sole anti-inflation agency or limiting its future to one more year gives little credence to our vows to limit increases in the cost of living, the number one concern of most Americans.

The most positive step that this Congress can take to restore effectiveness to the Council on Wage and Price Stability is to grant a two year extension. One immediate effect will be to insure a continuation of the present staff and the ability to attract additional well-qualified people to fill vacancies. Extending the Council through fiscal 1979 with a stronger staff will underline the intention of this government to follow a consistent program to reduce inflation.

These factors alone will not insure the success of CWPS in controlling or reducing inflation. However, if we are to make any progress in that direction, a strong Council on Wage and Price Stability is necessary to check the unimpeded erosion in the American standard of living that has resulted from ever increasing pressures of inflation.

J. WILLIAM STANTON.
STEWART McKINNEY.
HENRY J. HYDE.
MILLICENT FENWICK.
NEWTON STEERS, Jr.
HAROLD HOLLENBECK.
GARRY BROWN.
GEORGE HANSEN.
CHARLES GRASSLEY.
JIM LEACH.
THOMAS B. EVANS, Jr.

Mr. LEVITAS. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, I rise in support of the amendment although I am not certain how I will vote on final passage of this legislation. The reason I support this amendment, and I think it is a very important amendment, is that we are dealing with a potentially dangerous commodity. We are dealing with the vehicle which would have the potential to establish mandatory wage and price controls, because we now have in place an organization which is putting out voluntary guidelines under some form of regulatory authority, which they do not have; but it will just take one simple piece of legislation to transform voluntary into mandatory. When you are dealing with a dangerous commodity, whether it be dynamite, nitroglycerin, poison, or mandatory wage and price controls, it is very important that you deal with it in small quantities. You do not want to have a lot of nitroglycerin or a lot of dynamite or a lot of poison around. In order to make certain that we keep this potentially hazardous substance in short supply, or to put this potentially dangerous animal on a short leash, the only way in which we can do it is by having a limited funding period.

It is my understanding that the amendment would permit 18 months of funding. Eighteen months is plenty of time to see what type of operation this Council will accomplish. What could we do with the rest of the money, somebody would ask. It is already in the budget. What could we do with the rest of the money? I would suggest one thing we might consider doing is buying some of those old worn-out, stored "WIN" buttons which have been placed somewhere in Washington in storage. Crank out the WIN buttons and let the people of America proudly wear WIN buttons as a means of fighting inflation. I am sure we will get a lot of support for that from the other side of the aisle.

It seems to me that if we go too far in funding this Council on Wage and Price Stability, which should have been abolished three years ago, what we are doing is laying open the opportunity for having mandatory wage and price controls visited upon us in the very near future.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. LEVITAS. I will be happy to yield to my friend, the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

The gentleman said that mandatory wage and price controls might be some kind of nitroglycerin. Does the gentleman feel that the record of this Council from October until the present, with the tremendous increase in inflation that has taken place, is any kind of a record of success?

Mr. LEVITAS. I think that the success of the Council on Wage and Price Stability has yet to be seen. I believe that the only thing that could be worse than what we have at the present time is a system of mandatory price controls.

Let me just make this one point. If the gentleman will remember, during the period of mandatory price controls, phases 1, 2, 3, 4½ and so forth, at the end of that period of time we had a higher rate of inflation than existed at the time it was thought necessary to put in mandatory controls to begin with.

Mr. STRATTON. If the gentleman will yield, I have the record here of the percentage increases. In 1970 it was 5.5. President Nixon got worried and put on price controls. In 1971 it was only 3.4. He kept them on through 1972. It was 3.4. After the election he took them off without doing anything about the basic causes, and it went up to 8.8 in 1973 and 12.2 in 1974. If we put on controls, we can stop this constant spiraling and balance the budget and straighten up the economy. It seems to me that the present system has not worked. The gentleman would not hire a doctor for another year who kept making him worse every month after month after month; would he?

Mr. LEVITAS. Let me say this, if I thought for a moment that this Council on Wage and Price Stability could in and of itself cure the problem of inflation, I would not advocate 18 months of funding; I would advocate 18 years of funding. The fact of the matter is it has not, and it will not, but what may happen is it will put mandatory controls on, and when we do that, we are going to have a worse inflation rate, a bigger bureaucracy, and more money rather than less being paid out by the American taxpayer.

□ 1625

The CHAIRMAN. The time of the gentleman from Georgia has expired.

(At the request of Mr. STRATTON, and by unanimous consent, Mr. LEVITAS was allowed to proceed for 2 additional minutes.)

Mr. STRATTON. Mr. Chairman, if the gentleman will yield further, the difficulty with controls, we had mandatory controls in World War II and in the Korean war and they worked. We had an unusual situation, we could not allow all manufacturers just automatically to put up the price and unions to force up the price and we kept the economy stable. We have an unusual situation today with what is happening in the Middle East. The only way we can keep this constant spiraling down is to put on controls and then allow the Congress to deal with the basic problem, which is the national deficit, no question about that; but I do not think you can do it with voluntary controls. They have not worked and the record shows they have not worked.

Mr. LEVITAS. If the gentleman will permit me to observe, the fact of the matter is that the last time we had an experience with mandatory price controls, with bureaucrats trying to decide how much wages should be and how much prices should be, it was a failure. It was a failure because it cannot work. Even under wartime conditions where you have an entirely different economy in which a major portion of your resources are being devoted to national defense, even there it was not an altogether perfect system; but in time of peace all we are talking about is more bureaucracy, decisions about how much things cost and how much a worker can charge for his labor being decided by people who have never had to run a business and never had to work for a living.

I think we ought to let the marketplace work, and the cooperative spirit of the American people within the guidelines may do the job. I have great confidence if anybody can do it, Alfred Kahn and Barry Bosworth are two people who can.

Mr. STRATTON. I would like to go back to that 3.4 percent of the inflation that we had in 1971 and 1972. The reason it did not work is that President Nixon, once the election was over, did not care and he took off everything.

The CHAIRMAN. The time of the gentleman from Georgia has again expired.

(By unanimous consent, Mr. LEVITAS was allowed to proceed for 30 additional seconds.)

Mr. LEVITAS. Mr. Chairman, if my friend, the gentleman from New York, would realize exactly what he is saying, sure, as long as those controls were on there, as long as you are talking about controls forever, you are going to keep prices and wages down; but the moment you let the marketplace work again, this capped-up energy is going to explode and you have even higher inflation than you had to begin with. That is the reason I am opposed to this.

Mr. STRATTON. Not if we reduce our deficit and get back to a balanced budget, I say to the gentleman.

Mr. GREEN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise to support the amendment. I feel that this is an agency which is operating at best on the borderline of legality and that under those circumstances it is obligatory on us to keep it on as short a leash as is practical.

Now, the suggestion has been made earlier that we should not do that because somehow the agency will not be able to get good employees if they cannot be assured of their employment for more than a year.

I would have to say that anyone who is about to be hired by this agency ought to understand that a case has been brought against this agency which suggests that the activities for which a majority of the employees that it seeks to hire are illegal and that if the courts uphold that contention, and there is a long line of Comptroller General opinions in support of that contention, these employees will have little or no work to do. It is not reasonable to expect that the Congress will appropriate money to pay them if they have nothing to do.

I would also suggest that those employees would be aware of the fact that as a result of the amendment offered by the gentleman from Ohio that we have just adopted, but in any event, the appropriations are going to be 1 year appropriations, so that there can be no certitude of employment from 1 year to the next.

Under those circumstances, it seems to me the argument that the employees of this agency can be looking forward to any long tenure with this agency, God forbid, is really a fallacious one and that we should recognize our duty to oversee this most unusual agency, which has promised us that we shall start to see the benefits of its new approach within a period which was described last fall as from 6 to 9 months. We should therefore be looking at the end of that period to see whether the agency is delivering under this new program as promised and we should then act accordingly, either to continue the agency if it is working, or to terminate it or reduce its staff if, in fact, it is not proving effectual.

□ 1630

Mr. ROUSSELOT. Would the gentleman yield?

Mr. GREEN. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

You are on the committee; maybe you can help us. There has been a lot of discussion today about this problem as borderline, as you say, illegal activities. Could you describe those a little bit so the Members of the House would benefit, what those are?

Mr. GREEN. I have read the amicus curiae brief which has been prepared or has in fact been submitted by Members of Congress and that brief makes a case that the use of the contracting powers of the Government to threaten people who do not conform to the so-called voluntary wage and price controls is illegal.

The long line of Comptroller General opinions to which I referred, including one referring to this specific Agency, similarly hold that use of contracting powers of the Government for purposes other than those that Congress has authorized them to be used for, is illegal. So that is what I have reference to.

Mr. ROUSSELOT. I appreciate the gentleman's explanation so that is even more reason to take another hard-nosed look at this Agency in 18 months time, and why it is essential that we vote then for this amendment.

Mr. GREEN. And certainly if the court should hold against the Agency, as the Comptroller General's opinion gives reason to believe they would do, we would not want a lot of employees sitting around there with a program they are enjoined from enforcing.

Mr. BADHAM. Would the gentleman yield?

Mr. GREEN. I will be happy to yield.

Mr. BADHAM. I thank the gentleman for yielding and I appreciate the gentleman's support of what I think is a very worthwhile amendment. I think it should be perhaps added at this point, and I would hope the gentleman would agree, that perhaps, rather than looking, as the gentleman from Pennsylvania might have led the House to believe, looking for people who want to come to Washington to embark on a new career and never leave home, that they are the best we can get. Perhaps it might be worthwhile to encourage the absolute top people in Government and the absolute top people in private industry to come to Washington for a short period of time, unload their expertise, help the Congress, help the people, and then leave and go home.

I think a 1-year period would allow us to get the very best in public life and the very best in private life who perhaps cannot afford to work on a public salary of the kind that we have in Washington. Perhaps they feel they are indeed proven in the financial field, they are worth more than that. I refer to those gentlemen who are substantially more worthwhile on a financial basis than we can afford to pay in Washington, hopefully they might come. If they do they would only have to take a 1-year period away from their other more remunerative pursuits.

Does the gentleman not agree with that, that we might even get better if we limit the time?

Mr. GREEN. I do agree with the gentleman, and I thank him for his very cogent remarks.

Mr. WEISS. Will the gentleman yield?

Mr. GREEN. I do yield to the gentleman from New York.

Mr. WEISS. I am looking at the report on page 17 and there is a supplemental view signed by five Members. The fifth name is the gentleman's name and it indicates the total and complete support of the legislation before us.

Now did the question not come up earlier, this figure in the committee, did the gentleman change his mind?

Mr. GREEN. No. I would not describe the supplemental views to which the gentleman refers as enthusiastic support of this agency. I think many of us have felt that since the administration embarked on this course, we have little choice but to see it through. I had supported, within the committee, first, the amendment which we are now debating on the question of limiting the extension to 1 year and, second, an amendment which would have extended the authorization for 2 years but limited the funding authorization to a single year.

□ 1635

I do not consider any of that support in any way inconsistent with the rather unenthusiastic support of the agency which I consider to be the tone of the supplemental remarks.

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's clarifying the situation for me.

Mr. GREEN. Mr. Chairman, I thank the gentleman from New York (Mr. WEISS).

Mrs. HECKLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as delighted as I am today to see in the Chamber the distinguished ranking minority member of the Subcommittee on Economic Stabilization of the Committee on Banking, Finance and Urban Affairs and to see him in such fine fettle—and indeed though his presence gladdens my heart—his point of view on this amendment disappoints me dearly.

I would like to say that I feel that we are in a situation in which we have a student in school who is just barely making the grade, not quite passing, and who in my judgment, under normal academic standards, would be put on probation. That is exactly where I would place the Council on Wage and Price Stability—on probation.

Look at the runaway inflation we have experienced in the last few months.

Just recently I had a chance to put a question to the director of the Joint Economic Committee on the question of runaway food prices and, more specifically, on a subject that is consuming the attention of the members of the Committee on Agriculture of the House—a proposed increase in the sugar support program which will cost the consumers of America approximately $300 million in the first year.

I asked Mr. Barry Bosworth, the Director of the Council on Wage and Price Stability, what he thought of that program. Mr. Kahn, the inflation czar for the administration, had said that this proposal is highly inflationary, and that the sugar proposal as advanced by the administration will increase the prices on innumerable products that the consumer must purchase and will provide a new inflationary impact on the already strained food budget of the average family.

Now, what has Mr. Bosworth, the director of the council, done about food prices, and especially about inflation, in the area of sugar price controls and sugar price supports which the administration now wishes to increase? Mr. Bosworth answered my question by saying:

> The administration's proposal in the sugar situation, as made to Congress, is inflationary and will raise sugar prices, and there is no doubt about that.

What has Mr. Bosworth said to the Committee on Agriculture of the House? The Council on Wage and Price Stability has been absolutely mute. They have said nothing; they have spoken not at all. They have not raised a single objection to a policy that even Mr. Kahn has said will increase consumer prices by $300 million in the first year.

Now, is this an adequate performance for this council, and will more personnel and a bigger budget improve its performance? I suggest not.

It seems to me that the council can serve a very useful function, and that it can be a partner in fighting inflation, which is what we all wish. But at the present time this council is not a watchdog for the public; it is in fact a lap dog for the administration.

I would like to change the mandate of the council to stop the bureaucratic kowtowing that we have seen over the sugar bill and in other instances and give it the commitment to speak for the people with candor and fearlessness and let the chips fall where they may. Then they can let this Congress fight inflation.

To me, we need the council. It is a mechanism whereby we can monitor the inflationary increases and hopefully prevent them and stop actions in this Congress that contribute to inflation such as this sugar act. But first and most important—we must put the council on probation, put the lap dog on a short leash, and hope it can perform as a watchdog, which is what we all intended it to be when we passed the statute which brought it into being.

Mrs. FENWICK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment because I think we have to have a Council on Wage and Price Stability, and we are blessed by having as our chairman one of the more candid and forthright members of any agency, one of the few who will give us a straight answer when we ask him a question and one of those few who will speak up for what he believes to be true.

□ 1640

The remarks of the gentlewoman from Massachusetts are well taken. We know that there are actions of the Government and its agencies that are costing the people millions every single day. I would like to draw attention to one simple fact. Under the Interstate Commerce Commission, fresh agricultural produce is exempt. All food is not. The Poultry Association many years ago took to the Supreme Court a ruling of the Interstate Commerce Commission that plucked and eviscerated chickens were not fresh agricultural products. Fortunately for the consumers of America, the Supreme Court said they were, and the cost of distributing those chickens dropped 35 percent. Because why? Because they were carried not by franchised, certificated carriers, but by independents. The counter argument is: How do you get food in every hamlet? But is there a hamlet missing milk or eggs? Of course there is not. Or eviscerated chickens either. If we are serious—and we have to be serious about inflation, and what is more compelling than the whole question of food?—we should be exempting all food tomorrow.

I do think we have one of the finest directors in Mr. Kahn, and I want the record to show that we urge him to exempt all food; and then, if the record remains the same, the cost of distributing food to the people of America will drop by 35 percent. That is the kind of action in one limited area only that would be a tremendous benefit to the consumers of America.

Mr. ROUSSELOT. Mr. Chairman, will the gentlewoman yield?

Mrs. FENWICK. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I probably did not pay close enough attention, as the gentlewoman is always so articulate. But how does exempting food from this whole mechanism help stop inflation? Food is a big factor in the inflationary spiral.

Mrs. FENWICK. The distribution is part of it. Does the gentleman know how much the farmers get on a loaf of bread? About 3 cents.

Mr. ROUSSELOT. They get a very small amount of the entire cost.

Mrs. FENWICK. Exactly.

Mr. ROUSSELOT. It is less than 10 percent. But I am asking the gentlewoman the question: If you exempt food from this process, that is supposedly saving us all of this inflation. I do not believe that.

Mrs. FENWICK. I want to exempt it, not from this process, but from the regulations of the Interstate Commerce Commission. I would like a regulation from this council to that effect.

Mr. ROUSSELOT. Does the gentlewoman think they would do that?

Mrs. FENWICK. I think it should be on the record, so that the council and the members of the council would see that this recommendation would be made. I think it is difficult politically. I know the forces which will be raised against it. But somehow we must do it and I have to say it.

Mr. ROUSSELOT. Why would the gentlewoman then be against this amendment? If they have not done that, then they could come back in a year.

Mrs. FENWICK. I think it needs 2 years. I do not think we could have the kind of council with the kind of people we need on it if it is for 1 year only.

The CHAIRMAN. The question is on the amendments offered by the gentleman from Florida (Mr. KELLY).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 252, noes 159, not voting 21, as follows:

[Roll No. 46]

AYES—252

Abdnor
Addabbo
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bereuter
Bethune
Bouquard
Brinkley
Brooks
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Dannemeyer
Davis, Mich.
de la Garza
Deckard
Derwinski
Devine
Dickinson
Dodd
Dornan
Dougherty
Duncan, Oreg.
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Fazio
Findley
Fish
Flippo
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gradison
Gramm
Grassley
Green
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hammer-schmidt
Hance
Hansen
Harris
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holt
Hopkins
Horton
Hubbard
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kazen
Kelly
Kemp
Kindness
Kostmayer
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
McKay
Madigan
Maguire
Marlenee
Marriott
Martin
Mathis
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mitchell, N.Y.
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Neal
Nelson
Nichols
O'Brien
Panetta
Pashayan
Paul
Preyer
Pritchard
Pursell
Quayle
Quillen
Railsback
Ratchford
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rose
Roth
Rousselot
Rudd
Santini
Satterfield
Sawyer
Schroeder
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Skelton
Slack
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Synar
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Winn
Wirth
Wolff, N.Y.
Wolpe, Mich.
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NOES—159

Akaka
Albosta
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnes
Bedell
Beilenson
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Brademas
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clay
Coelho
Collins, Ill.
Corman
Cotter
D'Amours
Danielson
Daschle
Dellums
Derrick
Dicks
Dingell
Dixon
Donnelly
Downey
Drinan
Early
Eckhardt
Edgar
Edwards, Calif.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fenwick
Fisher
Fithian
Florio
Foley
Ford, Mich.
Garcia
Gaydos
Giaimo
Gore
Gray
Guarini
Hall, Ohio
Hamilton
Hanley
Harkin
Hawkins
Heftel
Holland
Hollenbeck
Holtzman
Howard
Huckaby
Johnson, Calif.
Kastenmeier
Kildee
LaFalce
Lederer
Lehman
Leland
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McKinney
Markey
Matsui
Mikva
Mineta
Minish
Mitchell, Md.
Moakley
Moorhead, Pa.
Murphy, Ill.
Murphy, N.Y.
Murtha
Myers, Pa.
Nedzi
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Pickle
Price
Rahall
Reuss
Richmond
Rodino
Roe
Rosenthal
Rostenkowski
Roybal
Russo
Sabo
Scheuer
Seiberling
Shannon
Sharp
Simon
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Swift
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Waxman
Weiss
Wilson, Tex.
Wright
Wyatt
Yates
Yatron
Zablocki

NOT VOTING—21

Alexander
Ambro
Anderson, Calif.
Bowen
Breaux
Crane, Daniel
Crane, Philip
Davis, S.C.
Diggs
Ferraro
Flood
Ford, Tenn.
Kogovsek
Leach, La.
McHugh
Marks
Miller, Calif.
Moffett
Rangel
Runnels
Treen

□ 1700

The Clerk announced the following pairs:

On this vote:

Mr. Leach of Louisiana for, with Ms. Ferraro against.

Mr. Runnels for, with Mr. Rangel against.

Mr. TRAXLER changed his vote from "aye" to "no."

Mr. SHELBY changed his vote from "no" to "aye."

So the amendments were agreed to.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there other amendments to section 1?

AMENDMENT OFFERED BY MR. ROUSSELOT

Mr. ROUSSELOT. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. ROUSSELOT: On page 2, line 21, strike "$5,952,000" and insert in lieu thereof "$4,108,000."

Mr. ROUSSELOT. Mr. Chairman, this is a simple straight-forward technical amendment. I am sure the committee intended to have this dollar amount stated at 4 million plus. If you will recall in earlier discussions, on line 24 of the bill, the committee cost is $8,400,000 for 1 year. All I have done with this amendment is to have the remaining 6 months of this year comply with that figure of $8 million just adding it; so all that I have done here is to make sure that the 6 months remaining for this year comply with what the committee has suggested for 1980; so I urge my colleagues to support this amendment because it makes it comply with what the committee suggested for the year 1980.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, the expanded activities of the Council on Wage and Price Stability began right after the President's announcement of October 24, so that the Council has been in existence much longer than one-half of the year and the figure that was proposed by the committee was based on testimony presented to the subcommittee.

The CHAIRMAN. The question is on the amendment offered by the gentleman from California (Mr. ROUSSELOT).

The question was taken; and on a division (demanded by Mr. ROUSSELOT) there were—ayes 45, noes 82.

So the amendment was rejected.

The CHAIRMAN. Are there further amendments to section 1?

If not, the Clerk will read section 2.

The Clerk read as follows:

SEC. 2. Section 7 of the Council on Wage and Price Stability is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

COMMITTEE AMENDMENTS

The CHAIRMAN. The Clerk will report the first committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 3, strike out "2" and insert in lieu thereof "3".

The committee amendment was agreed to.

The CHAIRMAN. The Clerk will report the last committee amendment.

The Clerk read as follows:

Committee amendment: Page 3, line 4, insert "Act" after "Stability".

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to section 2?

Are there other amendments to the bill?

AMENDMENT OFFERED BY MR. MOORHEAD OF PENNSYLVANIA

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. MOORHEAD of Pennsylvania: H.R. 2283 is amended by adding at the end thereof the following new section:

SEC. 4. The Council on Wage and Price Stability Act is amended by adding at the end thereof the following new section:

"SEC. 8. Notwithstanding any other provision of this Act, no payment under this Act may be made except to such extent, or in such amounts, as are provided in advance in appropriation Acts."

□ 1710

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, under a rule we adopted, a requirement of section 303(a)(4) of the Budget Act was waived. However, I am now offering an amendment to cure this technical defect in the Council on Wage and Price Stability Act.

My amendment would provide no payments could be made under the act except to such extent and in such amounts as are provided in advance in the Appropriation Act.

Mr. Chairman, I know of no objection to the amendment, and, therefore, I call for a vote.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The amendment was agreed to.

The CHAIRMAN. Are there further amendments?

AMENDMENT OFFERED BY MR. STRATTON

Mr. STRATTON. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. STRATTON: On page 3 at the end of line 5 insert the following new section:

SEC. 4. (a) Strike out section 3(b) of the council on Wage and Price Stability Act.

(b) Insert in the Council on Wage and Price Stability Act a new section 4 as follows:

SEC. 4(a). PRESIDENTIAL AUTHORITY.—Within sixty days of the date of enactment of this Act the President shall issue such orders and regulations as he may deem appropriate to stabilize prices, rents, wages, salaries, profits, dividends, interest rates, and other comparable economic transfers at levels not less than those prevailing on October 1, 1978. Such orders and regulations shall provide for—

(1) the making of such adjustments, as may be necessary to prevent gross inequities;

(2) wage and salary increases or adjustments, after October 1, 1978, based on the application of cost of living and productivity formulas;

(3) price, rent, or interest rate increases or adjustments, after October 1, 1978, based on cost or productivity increases; and

(4) profit or dividend increases, after October 1, 1978, attributable to increased productivity, efficiency, or sales or revenues.

(b) DELEGATION.—The President may delegate the performance of any function under this Act to the Council.

(c) PENALTY.—Whoever willfully violates any order or regulation under this Act shall be fined not more than $5,000.

(d) INJUNCTIONS.—Whenever it appears to any agency of the United States authorized by the President to exercise the authority contained in this Act to enforce orders and regulations issued under this Act, that any person has engaged, is engaged, or is about to engage in any act or practice constituting a violation of any regulation or order under this Act, it may bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such act or practice, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the agency, any such court may also issue a mandatory injunction commanding any person to comply with any regulation or order under this Act.

(e) EXPIRATION.—The authority to issue and enforce orders and regulations under this Act expires at midnight September 30, 1983, or upon any earlier date provided in a concurrent resolution of the Congress, but such expiration shall not affect any proceeding under section 104 for a violation of any such order or regulation committed prior to October 1, 1983, or for the punishment for contempt for a violation of any injunction issued under section 105 committed prior to October 1, 1983.

(f) TRANSMITTAL OF DETAILED PLAN.—

(i) Not later than thirty days after the date of enactment of this Act, the President or his delegate shall transmit to the Congress a plan setting forth detailed proposals for the implementation of the authority conferred by this Act, including specific descriptions of the manner in which such authority would be exercised and the organizational and administrative provisions which would be used.

(ii) The plan required under this section shall—

(1) be generally fair and equitable;

(2) provide for a comparable level of control of all sectors of the economy; and

(3) impose comparable duties and sacrifices on individuals and organizations in all segments of the economy.

(iii) The President or his delegate shall make and transmit to the Congress from time to time such revisions of the plan transmitted under this section as may be necessary.

And renumber the following sections accordingly.

Mr. MOORHEAD of Pennsylvania (during the reading). Mr. Chairman, I reserve a point of order against the amendment offered by the gentleman from New York (Mr. STRATTON).

The CHAIRMAN. The Clerk will first complete the reading of the amendment.

(The Clerk continued the reading of the amendment.)

Mr. STRATTON (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. BAUMAN. Reserving the right to object, I do so, Mr. Chairman, because there might be some question of germaneness pertaining to this amendment, and unless we have copies, I would prefer that it be read.

Mr. Chairman, I object, since no copies are available.

Mr. STRATTON. Mr. Chairman, if the gentleman will withhold his objection, I am doing this in the interest of time.

The CHAIRMAN. The gentleman from Pennsylvania (Mr. MOORHEAD) has reserved a point of order on the amendment.

The gentleman from New York (Mr. STRATTON) will proceed.

Mr. ROUSSELOT. Mr. Chairman, reserving the right to object, did the gentleman from Maryland (Mr. BAUMAN) object?

Mr. STRATTON. Mr. Chairman, the text of the amendment is included in H.R. 767, copies of which are, I believe, available.

The CHAIRMAN. The Chair will inquire, was there an objection to suspending the reading of the amendment?

Mr. BAUMAN. Mr. Chairman, further reserving the right to object on the request to dispense with further reading of the amendment, may I inquire, is the gentleman from New York offering his amendment to the text of H.R. 767?

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, what I am doing is offering the text of H.R. 767 to a revised section 4 of the bill. I beg your pardon, Mr. Chairman; let me amend that. It is a new section 4, since the gentleman from Pennsylvania (Mr. MOORHEAD) has already had a new section adopted, so this would become section 5 at the end of the bill, a new section added to the bill.

Mr. BAUMAN. Mr. Chairman, I do not wish to cut the gentleman from New York (Mr. STRATTON) off, so I will not object to the request for dispensing with the reading, since I now have a copy of the amendment.

However, Mr. Chairman, I reserve a point of order against the amendment.

The CHAIRMAN. The gentleman from Maryland (Mr. BAUMAN) reserves a point of order on the amendment.

Mr. BAUMAN. Mr. Chairman, I withdraw my reservation of objection.

Mr. ROUSSELOT. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Pennsylvania (Mr. MOORHEAD) that the

amendment be considered as read and printed in the RECORD?

There was no objection.

The CHAIRMAN. The gentleman from New York (Mr. STRATTON) is recognized in support of his amendment.

Mr. STRATTON. Mr. Chairman, this amendment is the one that I indicated earlier I intended to offer.

It provides simply the same standby authority for the President of the United States to impose mandatory price and wage controls that President Nixon had in 1971 when he imposed wage and price controls at that time.

I think it is fairly obvious, as I said earlier, Mr. Chairman—and those who were not in the Chamber to hear me, I am sure, got it over the magic of television—that the Council on Wage and Price Stability has not done its job. This is a "council of price instability."

In the 6 months since Mr. Kahn was appointed and this process of so-called voluntary controls went into effect, inflation has gone up four or five or six points. In fact, we see absolutely no impact whatsoever, and the American people, as has been said time and time again by my friends on this side of the aisle, are fed up with inflation. They want it ended. They do not want to see prices continually and constantly going up.

The best that Mr. Kahn can offer—and he comes originally from my State; he comes from the great Cornell University—is that he says, "Well, give us a few more months. Wait until June or July, and then perhaps we will have reduced it by one-half of 1 percent, and then you will know it is beginning to click."

All of our problems—the cost-of-living increase on pensions, the cost-of-living increase on retirement, as well as all these problems we are confronting in social security—all stem from constant, steady inflation; and what we must do is get it under control—now, not 3 months from now.

Oh, the conventional wisdom is that price and wage controls have never worked.

I know that, with all the youth in this body, not many recall World War II or the Korean war; but controls did work at those times. Very effectively.

□ 1715

The fact of the matter is that they also worked when President Nixon imposed them in 1971.

I have here a list of the inflation factors over the past few years. In 1970, when President Nixon first thought about the question of inflation, the inflation rate stood at 5.5 percent. In 1971, August, to be exact, he imposed wage and price controls, and the inflation factor in 1971 was only 3.4 percent. In 1972, with controls continued until after the election, the rate remained 3.4 percent. The only problem with Mr. Nixon's imposition of controls was that he made no effort to try to solve some of the other problems. The minute the 1972 election was over, he took controls off. So in 1973, with controls off inflation was 8.8 percent, and in 1974 it went to 12.2 percent. So controls do work. They can stop the kind of cost-push inflation, we see today the spiraling kind of thing that is happening. Of course, that does not mean that the imposition of controls alone is going to solve the problem. It simply means that controls can give us time to do something about the basic causes: Reduce the deficit, balance the budget, and get our monetary problems under control.

You say, "Well, controls only fight the symptoms." What is wrong with that? If you go to the hospital with a fever, the doctor gives you an aspirin. The aspirin is only fighting the symptoms. But your fever stays down so that you are not ravaged. But sooner or later the doctor has to find the real trouble, whether it is hepatitis or whatever it might be. Similarly the mandatory controls that we impose will ease the burden on our own budget, which now goes up now steadily with inflation. It will ease the burden on the homeowner and the consumer. In the meantime, we here in Congress must try to do the job that the gentleman from Florida (Mr. KELLY), and all of the other gentlemen on this side, have been urging us to do this afternoon, which is to bring the budget into balance. And when we have done that we can take the controls off.

I ask Members, just go back home and talk to your people. I think Members will find that, as every poll has demonstrated, the American people are not satisfied that Mr. Kahn is doing a darn thing about fighting inflation or that the Carter administration has accomplished a darn thing in fighting inflation. The American people are willing to accept mandatory controls if they will just stop our runaway inflation.

POINT OF ORDER

The CHAIRMAN. Does the gentleman from Pennsylvania (Mr. MOORHEAD) wish to pursue his point of order?

Mr. MOORHEAD of Pennsylvania. I do, Mr. Chairman.

The CHAIRMAN. The gentleman will state it.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I make a point of order against the amendment offered by the gentleman from New York (Mr. STRATTON) for two reasons.

First. The amendment offered by the gentleman from New York (Mr. STRATTON) which seeks to strike down section 3(b) of the original act, is well beyond the fundamental purpose of this act, which is the gathering of information and voluntary programs to fight inflation. Certainly the amendment offered by the gentleman from New York (Mr. STRATTON), which is a mandatory program, is outside of such fundamental purpose of the act.

Second. If the amendment is adopted, it will establish a precedent which allows amendments striking limiting language, such as section 3(b) of the original act, and then inserting language of an entirely different scope, of a much broader application, and allowing, once limiting language is stricken, the broadening of the scope which would put a chilling effect on all attempts by the Congress to insert limiting sections, specifically, in a particular law.

For those reasons, Mr. Chairman, I urge the Chair to sustain the point of order.

□ 1720

The CHAIRMAN. Does the gentleman from Maryland wish to be heard on the point of order?

Mr. BAUMAN. Mr. Chairman, I wish to speak on the point of order.

I would also point out that in addition to the argument offered by the gentleman from Pennsylvania, the scope of the amendment is so broad that it goes well beyond the particular authorities that the present statute, Public Law 93-387, contains, and is therefore nongermane. First of all, the present statute allows the President to establish the Council which is the subject of this legislation. The gentleman's amendment shifts the power completely to the President, who may or may not under his amendment place this power in this or any other agency of Government, as appears on the second page of his amendment.

Furthermore, it permits the President to delegate to any officials or departments the powers his amendment suggests, which goes beyond the scope of the current law, and also provides for criminal penalties and injunctions upon application to the district court, none of which is in the present law and is beyond its scope.

It also sets up an expiration date, which the present law does not contain. So, in many specifics, it is well beyond the scope of the present act, and nongermane for that reason.

The CHAIRMAN. Does the gentleman from New York desire to be heard?

Mr. STRATTON. I do, Mr. Chairman.

I would say to the gentleman from Maryland that actually in H.R. 767, page 2, line 18, I have deleted the reference to such officers, departments, and agencies, and have simply indicated that the President may delegate the performance of any function under this act to the Council.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield ?

Mr. STRATTON. Not at this time.

I am a little bit surprised that the gentleman——

POINT OF ORDER

Mr. ROUSSELOT. Mr. Chairman, a point of order.

The gentleman asks that we not read his great amendment, and yet we were told it was exactly the same as submitted in H.R. 767. He has just now told us it is not, and therefore on that basis alone we were misled.

Mr. STRATTON. I would not mislead the gentleman from California, as he well knows. This was stricken out in the printed version, but the Member from New York had very little time in which to draft copies, and as a result the essence of it was contained in H.R. 767. I am a little surprised, Mr. Chairman, that the gentleman from Pennsylvania would try to knock this amendment out on a point of order——

The CHAIRMAN. Will the gentleman direct his argument to the Chair, please?

Mr. STRATTON. I am trying to direct it to the Chair, Mr. Chairman.

The CHAIRMAN. And to the point of order.

Mr. STRATTON. I am surprised that the gentleman from Pennsylvania would try to knock it out on a point of order because, as far as I know, only the gentleman from New York (Mr. WEISS) and myself are in favor of this particular approach, and I do not think the gentleman from Pennsylvania needs to worry about the outcome of the vote.

But, I do thank him and I appreciate his having reserved the point of order so that at least the case could be presented, but I think that this is a fundamental question which the House ought to face and ought to have an opportunity to vote on.

This bill that we are being asked to approve today is a bill to establish and to continue a Council on Wage and Price Stability. As I have indicated, this particular Council has not achieved wage and price stability. I have amended the legislation, Mr. Chairman——

The CHAIRMAN. The Chair wishes to accord the gentleman from New York every courtesy, but in fairness to the gentleman the Chair is ready to rule.

Mr. STRATTON. Mr. Chairman, I have not had a chance to present my argument. If the Chair is ready to rule. I would hope that he would defer the ruling at least until I have a chance to point out what I think is the point.

The CHAIRMAN. If the gentleman from New York would proceed moderately.

Mr. STRATTON. I am proceeding not only moderately, but expeditiously, Mr. Chairman.

This is a bill to amend the Council on Wage and Price Stability and to extend the authority granted by such act. My bill is designed to provide a method whereby the Council on Wage and Price Stability can achieve this price and wage stability within the period determined by the original act. Therefore, in my judgment it simply represents an additional duty imposed on the Council which will perhaps enable it to achieve the objective that, so far, it has not achieved.

The CHAIRMAN. The Chair is ready to rule.

The amendment, to be germane, must accomplish the purpose of the bill by a closely related method to that in the bill.

The amendment would amend section 3(b) of the Wage and Price Stability Act. That subsection presently contains the disclaimer that nothing in the basic act, which is being extended and amended by the pending bill, should be construed to confer mandatory wage and price control authority upon the Council or to affect separate authorities under the Emergency Petroleum Allocation Act. In lieu of that disclaimer, the pending amendment would confer upon the President or Council mandatory wage and price control authorities.

The authorities being extended by the pending bill are of a readily definable class—they are all advisory or informational in nature. On the other hand, the amendment confers authorities of a different class—authorities which are mandatory in nature. For the same reason that the Chair feels it would not be germane to impose direct wage and price controls on specified levels of income or commodities as an amendment to this bill, it is not in order to confer direct mandatory authority upon an executive official to impose such controls.

On June 19, 1952, Chairman Mills held not germane to a bill extending authority in law to settle labor disputes by negotiation and collective bargaining, an amendment to the same law empowering the President to take possession of plants closed by work stoppages.

The Chair sustains the point of order.

□ 1725

AMENDMENT OFFERED BY MR. WEISS

Mr. WEISS. Mr. Chairman, I offer an amendment.

The Clerk proceeded to read the amendment.

Mr. WEISS (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Reserving the right to object, Mr. Chairman, may I ask the gentleman how long his amendment is?

Mr. WEISS. If the gentleman will yield, Mr. Chairman, it is about the same length as the last amendment was.

Mr. ROUSSELOT. Four or five pages?

Mr. WEISS. No, about two pages.

Mr. ROUSSELOT. Mr. Chairman, we have no copies of this amendment on this side of the aisle. Therefore, I am constrained to object unless we can get one. Could the gentleman send a copy over here?

Mr. WEISS. I think that we can, but——

Mr. ROUSSELOT. Then, Mr. Chairman, I object.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Further reserving the right to object, Mr. Chairman, I yield to the gentleman from Pennsylvania.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, it is my intention, as soon as the reading of this amendment has been completed, to move that the Committee rise.

Mr. ROUSSELOT. Mr. Chairman, I will yield to the gentleman from Pennsylvania for that purpose.

Mr. MOORHEAD of Pennsylvania. Mr. Chairman, I move that the Committee do now rise.

Mr. WEISS. That is with the amendment pending; is that correct?

Mr. Chairman, would the amendment have the same status as it had before the motion to rise was made, that is, with a request pending to have the amendment considered as read?

The CHAIRMAN. The Chair will state that the reading of the amendment has not been dispensed with. Therefore, we would remain in the same position.

Mr. WEISS. Absolutely; that is fine.

The CHAIRMAN. The question is on the motion offered by the gentleman from Pennsylvania (Mr. MOORHEAD).

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. DERRICK, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2283), to amend the Council on Wage and Price Stability Act to extend the authority granted by such act to September 30, 1981, and for other purposes, had come to no resolution thereon.

THE 96TH CONGRESS—THE OVERSIGHT CONGRESS

(Mr. LONG of Louisiana asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LONG of Louisiana. Mr. Speaker, observers have been speculating that the 96th Congress will be known as "the oversight Congress." In the current political climate where "fiscal restraint" and "government efficiency" have become watchwords, it is most appropriate that we concentrate on improving present programs rather than drafting any new ones at this time.

The President, the leadership of both parties, and the voters are rightfully demanding that Congress assure existing programs are working effectively and efficiently—and that they are being carried out according to the intent of Congress.

It is with a strong sense of responsibility that the Subcommittee on the Legislative Process of the Committee on Rules takes up this timely issue. This new subcommittee, which I have the honor of chairing, will soon be holding hearings as part of its consideration of measures requiring systematic program review.

Our current effort at oversight can perhaps best be described as Congress neglected stepchild. The Legislative Reorganization Act of 1946 gave standing committees responsibility for continuous oversight, and this authority was later strengthened by provisions of the Legislative Reorganization Act of 1970 and the Congressional Budget Act of 1974. But despite 30 years of mandated responsibility for oversight, it remains an orphan which Congress has never quite accepted as its own. Congress has never fully incorporated the systematic review of Government programs as regular procedure. Crowded out of the House by its older and more established sister, the authorization of new programs, regular oversight has not yet assumed its rightful, permanent place in the process of program implementation. Our efforts at oversight, while often laudable, have been sporadic—usually in reaction to problems after they occur rather than in a continual search for weaknesses before crises are at hand.

The role of our subcommittee is to find a regular place for oversight at the congressional table. Foremost in our mind is not just the need for better and more systematic review of programs most of us agree on that—but also the need to successfully integrate program review into our busy committee and floor schedules. Performed regularly and economically, program review can complement our other legislative duties—enabling us to fund those programs run

most efficiently and showing us the pitfalls of current programs before embarking on new ones. An ill-conceived procedure for program review, however, is likely to hinder the completion of our other legislative tasks, forcing us to again relegate oversight to its current status of neglect. We must find a middle course that fulfills Congress oversight responsibilities without undermining the legislative process.

New procedures for program review will affect all Members regardless of party or committee assignment. Far-reaching proposals have been recommended and introduced. As our subcommittee considers these proposals in the coming months, I seek the advice and support of all Members.

RESOLUTION AUTHORIZING SETTING UP OF A BUST IN HONOR OF DR. MARTIN LUTHER KING, JR.

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I am today introducing once again a resolution to authorize the setting up of a bust or statue of Dr. Martin Luther King, Jr., in the Capitol.

I am proud to say that we have 165 cosponsors for this legislation. It has passed the House in two previous Congresses, but has not been acted upon by the Senate.

I hope that it will again move quickly through the House and that this year it will also pass the Senate.

I first introduced this resolution in the 92d Congress with 61 cosponsors. Before introducing it again in the 93d Congress, I consulted with the Congressional Black Caucus. After extensive consideration the caucus agreed that Dr. King was the most appropriate black American to honor. I again introduced this resolution in the 94th Congress with 161 cosponsors. It passed in the House and a similar version passed in the Senate. However, Congress recessed before the minor differences could be resolved in conference. I introduced this resolution once more in the 95th Congress with 160 cosponsors. It too passed the House but ran into difficulty in the Senate Rules Committee, and was not enacted by the end of the Congress. Today I am introducing this resolution with 165 cosponsors, including again the support of the entire Black Caucus.

It is altogether fitting that we so honor Dr. King. He was a man who might have lived out a worthwhile but obscure life as a minister. Instead, he was beckoned by the challenge to win equality for all the people of this country.

On December 1, 1955, Mrs. Rosa Parks, a seamstress with tired feet, was arrested in Montgomery, Ala., for refusing to give up her seat on a local bus to a white man. Her arrest triggered the first great civil rights test of power, and launched Dr. King's quest for equality. Dr. King, then an unknown minister in Alabama, led the Montgomery black community that year. Mrs. Park's arrest ended 382 days later with the capitulation of the Montgomery bus line to the doctrine of racial equality. Dr. King had begun his march.

In the years that followed, Dr. King's influence grew. He set out to correct specific injustices, but also to educate our country and win the hearts and minds of our people. His marches awakened our country and aroused our sympathy.

Who can forget that horrible spectacle in 1963 when Dr. King and his marchers, dressed in their Sunday clothes, met fire hoses, truncheons, and police dogs in Birmingham. A few months later, in his famous "I have a dream" speech, Dr. King addressed thousands of people gathered at the Lincoln Memorial, and said:

> When we let freedom ring, we will speed the day when all God's children, black men and white men, Jews and Gentiles, Protestants and Catholics, will be able to join hands and sing the words of the old Negro spiritual: "Free at last/Free at last/Thank God Almighty, we're free at last."

In 1964 Dr. King became the 14th American and the youngest man ever to win the Nobel Peace Prize.

A firm believer in Christian ideals and Gandhi's principle of peaceful nonviolent protest, Dr. King set out to fulfill a dream to give life to this country's highest ideals. He spoke for the present and the future, of "getting to the mountaintop" and "reaching the Promised Land." He was indeed one of the truly great figures of our American history.

But there are other reasons why this memorial should be authorized for placement in the Capitol.

Do you know that of all the black Americans who have contributed to our country's greatness, not one is featured among the 681 works of art in the halls of the Capitol? Is it any wonder that, in the absence of any such recognition, so few black families are to be seen among the millions of tourists who flock to our Capitol Building each year? Is it not distressing that a nation, striving to set right the wrongs of the past, has blotted out, here at the very seat of our Government, any recognition of the role of black people in building this great country?

This memorial to Dr. King would present a perfect opportunity to begin to correct that injustice. This civil rights leader deserves to receive this official recognition and appreciation.

Although Dr. King's violent death is a tragic blot on our recent history, his life was a shining example for us all. He had the courage of his convictions, and for over a decade his hopes and his dreams guided the Nation in the struggle for equal justice, equal opportunity, and basic rights. He carried that struggle as far as any man or woman in this century.

A permanent memorial to Dr. King in the Capitol would remind America and the rest of the world over the years to come of the inspiring leadership of this great man.

I hope the distinguished House Administration Committee, and specifically its Subcommittee on Libraries and Memorials, will see fit to take prompt action on this resolution, as they have twice before, so that it may come to the floor as soon as possible.

I am honored to have as cosponsors of this resolution the following Members:

COSPONSORS OF MARTIN LUTHER KING STATUE BILL

1. Mr. Addabbo.
2. Mr. Akaka.
3. Mr. Albosta.
4. Mr. Anderson of California.
5. Mr. Anderson of Illinois.
6. Mr. Bailey.
7. Mr. Baldus.
8. Mr. Barnes.
9. Mr. Bedell.
10. Mr. Beilenson.
11. Mr. Benjamin.
12. Ms. Boggs.
13. Mr. Boland.
14. Mr. Bolling.
15. Mr. Bonior of Michigan.
16. Mr. Bonker.
17. Ms. Bouquard.
18. Mr. Brademas.
19. Mr. Brodhead.
20. Mr. Brown of Ohio.
21. Mr. Brown of California.
22. Mr. Buchanan.
23. Mr. John L. Burton.
24. Mr. Phillip Burton.
25. Mr. Carr.
26. Mr. Cavanaugh.
27. Mr. Cheney.
28. Ms. Chisholm.
29. Mr. Clay.
30. Mr. Coelho.
31. Ms. Collins of Illinois.
32. Mr. Conte.
33. Mr. Conyers.
34. Mr. Corman.
35. Mr. Corrada.
36. Mr. Cotter.
37. Mr. Coughlin.
38. Mr. Dellums.
39. Mr. Diggs.
40. Mr. Dixon.
41. Mr. Dodd.
42. Mr. Downey.
43. Mr. Drinan.
44. Mr. Duncan of Tennessee.
45. Mr. Duncan of Oregon.
46. Mr. Eckhardt.
47. Mr. Edgar.
48. Mr. Edwards of California.
49. Mr. Ertel.
50. Mr. Evans of the Virgin Islands.
51. Mr. Fascell.
52. Mr. Fauntroy.
53. Mr. Fazio.
54. Ms. Fenwick.
55. Mr. Findley.
56. Mr. Fish.
57. Mr. Fisher.
58. Mr. Flood.
59. Mr. Foley.
60. Mr. Ford of Tennessee.
61. Mr. Fowler.
62. Mr. Frenzel.
63. Mr. Frost.
64. Mr. Gibbons.
65. Mr. Gilman.
66. Mr. Gingrich.
67. Mr. Ginn.
68. Mr. Gore.
69. Mr. Gray.
70. Mr. Green.
71. Mr. Guarini.
72. Mr. Gudger.
73. Mr. Harris.
74. Mr. Hawkins.
75. Mr. Heftel.
76. Ms. Holt.
77. Ms. Holtzman.
78. Mr. Horton.
79. Mr. Howard.
80. Mr. Hughes.
81. Mr. Jacobs.
82. Mr. Jenrette.
83. Mr. Johnson of Colorado.

84. Mr. Kastenmeier.
85. Mr. Kildee.
86. Mr. Kogovsek.
87. Mr. Kostmayer.
88. Mr. LaFalce.
89. Mr. Lederer.
90. Mr. Lee.
91. Mr. Leland.
92. Mr. Long of Maryland.
93. Mr. Long of Louisiana.
94. Mr. Lowry.
95. Mr. Luken.
96. Mr. Markey.
97. Mr. Marks.
98. Mr. Matsui.
99. Mr. Mavroules.
100. Mr. Mazzoli.
101. Mr. McCloskey.
102. Mr. McHugh.
103. Ms. Mikulski.
104. Mr. Mikva.
105. Mr. Miller of California.
106. Mr. Mineta.
107. Mr. Mitchell of New York.
108. Mr. Mitchell of Maryland.
109. Mr. Moffett.
110. Mr. Moorhead of Pennsylvania.
111. Mr. Murphy of New York.
112. Mr. Murphy of Illinois.
113. Mr. Myers of Pennsylvania.
114. Mr. Neal.
115. Mr. Nolan.
116. Mr. Nowak.
117. Mr. O'Brien.
118. Mr. Ottinger.
119. Mr. Panetta.
120. Mr. Patterson.
121. Mr. Pepper.
122. Mr. Peyser.
123. Mr. Price.
124. Mr. Pritchard.
125. Mr. Rahall.
126. Mr. Rangel.
127. Mr. Ratchford.
128. Mr. Reuss.
129. Mr. Richmond.
130. Mr. Rodino.
131. Mr. Roe.
132. Mr. Rose.
133. Mr. Rosenthal.
134. Mr. Roybal.
135. Mr. Sabo.
136. Mr. Scheuer.
137. Mr. Seiberling.
138. Mr. Shannon.
139. Mr. Sharp.
140. Mr. Simon.
141. Mr. Solarz.
142. Ms. Spellman.
143. Mr. Stanton.
144. Mr. Stark.
145. Mr. Stewart.
146. Mr. Stokes.
147. Mr. Studds.
148. Mr. Swift.
149. Mr. Thompson.
150. Mr. Traxler.
151. Mr. Trible.
152. Mr. Udall.
153. Mr. Van Deerlin.
154. Mr. Vento.
155. Mr. Volkmer.
156. Mr. Walgren.
157. Mr. Waxman.
158. Mr. Weiss.
159. Mr. Williams of Montana.
160. Mr. Wilson of Texas.
161. Mr. Charles H. Wilson of California.
162. Mr. Wolff.
163. Mr. Wolpe.
164. Mr. Won Pat.
165. Mr. Yates.

□ 1210

A CRITIQUE OF DETROIT'S FUEL-GUZZLING CARS

(Mr. WEAVER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WEAVER. Mr. Speaker, last week the Detroit auto corporations told a House subcommittee they could not meet a gas mileage standard of 27.5 mpg by 1985. It would cost $80 billion if they had the ingenuity and initiative to do it, which they admitted they do not. General Motors sounds more and more like the Post Office.

The car makers said there was too much sleet and snow and driving rain to make their appointed rounds. Actually, most of their creative thinkers have been hired away by the Department of Health, Education, and Welfare, for they said they could not meet emission standards either.

General Motors does rival the Post Office in efficiency, but that is because Government subsidies to General Motors are greater. If the Post Office had the investment tax credit, accelerated depreciation, and capital gains, together with defense contracts, I truly believe the Post Office could match GM for sloth and inertia. But General Motors remains first among the great bureaucracies in this Nation.

Some have suggested the Post Office go back to the more speedy delivery system once offered by Pony Express. I disagree. I think the Post Office does a better job than the Pony Express. But when these same critics suggest the car makers go back to the Model T, I scoff openly. Could Detroit build the Model T today? Of course not. To make such a demand on our car makers would be unreasonable, another unrealistic government regulation. The Model T was a fine car, and to make such a car is far too much to expect today from the advertising agencies who are the brains of the car industry.

Ask Detroit to write an ad to sell cars and you will have a lineup of genius such as has not been seen in this country since Henry Ford worked alone in his garage. But ask them to make a car that runs at all, much less runs with fuel efficiency and you have imposed far too great a burden on these men whose job is to make cars that do not last very long.

The automotive industrialists at one point excelled in planned obsolescence. Now they do it naturally. They make cars that fall apart as if they learned the technique at their mother's knee. What we owe these great men! It is not easy to pour such managerial skills into junk.

I am not downgrading car men. The Chevrolet division, while it cannot make a fuel-efficient engine, in a scant 20 years has saddled us with a bewildering and costly array of 11 fuel-guzzling engines. and has increased the number of transmission gas sops from 2 to 21. They are experts in that kind of progress, progress that arranges for us to pay more and get less.

Can we afford Detroit? Of course we can. We keep the Post Office operating, we can keep the Detroit car industry operating. Naturally, we must lower standards and increase subsidies, but Detroit has an historical value worth preserving, every bit as important as the Willard Hotel.

Is it possible we might go to war, send our sons to die in the Mideast, to make sure the fuel-guzzling Detroit cars have the vast amounts of oil and gas they need to operate? That is a question the American people may have to answer.

DRAFT DRAFT DODGERS FIRST

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ASHBROOK. Mr. Speaker, in recent months there has been an accelerated campaign by Carter administration spokesmen to condition the public to a possible resumption of the military draft. In typical Carter style, some float the idea while others oppose it so the President can go either way on the issue.

Among other voices, both Secretary of Defense Brown and Secretary of the Army Alexander have been heard regarding problems that have arisen in the Armed Forces' current voluntary manpower program.

There has also been a steady drumfire of articles and columns, obviously inspired by administration sources and clearly aimed at preparing the American people for some sort of Executive action down the line to reinstate selective service.

My own position on issues relating to our country's military preparedness is well-recorded. I have always supported whatever measures were necessary to maintain the strength of our Armed Forces so that they can carry out their primary mission of safe guarding the Nation's security.

In that regard, it may well be that there will come a point at which the deterioration of our Armed Forces might require increased military manpower.

However, the current campaign being orchestrated by the White House to soften up the public for a resumed military draft is ill-conceived in view of the Carter administration's own past record on enforcing military conscription laws.

We can now see what Jimmy Carter's wholesale amnesty for draft evaders at the outset of his administration did in terms of eroding the position of the armed services and undermining the integrity of the Nation's laws.

Let me ask the question directly: Can an administration that granted wholesale amnesty to those who evaded the draft now either logically or morally reinvoke a selective service system for young Americans?

If we come to the point where conscription is reinstated as a means of maintaining the strength of our armed services, should those who once flouted the draft law and were amnestied remain exempt from any military service while a new crop of young Americans are asked to step forward to serve their country?

Those who in the past have defended the draft evaders of the Vietnam war might well consider these logical and moral questions hanging over any effort to resume the Selective Service System.

It seems to me that this administration has placed itself in an untenable position with regard to any future military conscription. I doubt if even the Carter White House public relations experts can

work up an obfuscation by which the President can explain to the American people why a draft law he allowed thousands of Americans to violate should now be applied, with full force, to other young Americans.

For my own part, I raise these questions only because the recent state of publicity and commentary regarding possible resumption of the draft seems to overlook the dilemma raised by the precedent of Jimmy Carter's having granted amnesty to the Vietnam draft evaders.

I have no doubt that it is a dilemma that will necessarily make the job of our Armed Forces more difficult now and in the years to come.

Whether it will become necessary to reinstate the draft to meet the country's military needs, I cannot say. What I do know, however, is that those least qualified to address themselves to this issue are members of the Carter White House or administration who made a mockery and a travesty of the Nation's draft law enforcement in the recent past. Possibly the draft dodgers and draft evaders, regardless of their present age, should be the first, repeat first, ones to be drafted by the Carter administration if the compulsory military training is reinstituted.

SPECIAL COUNSEL PAUL J. CURRAN

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, today the Justice Department announced that it will appoint a Special Counsel to investigate the Bert Lance loans to the Carter peanut warehouse business.

I am pleased that the Justice Department has at least taken this step to bring this investigation to a conclusion.

They have appointed a highly qualified former U.S. attorney, Paul J. Curran, with an appropriate prosecutorial background.

Unfortunately, the Justice Department has appointed this highly qualified man, and then set up a series of restrictions which will make it impossible for him to do an independent job.

The Justice Department has decided that Mr. Curran shall not have the very powers that are most important to a prosecutor. He will not be allowed to make final decisions about who to prosecute, he will not be allowed to grant immunity to potential witnesses, and he will not be allowed to have the final decision about who shall be indicted.

These decisions will all have to be first approved by the Assistant Attorney General for the Criminal Division. This takes the most important decisions of this case out of the hands of the Special Counsel.

He will simply not have the freedom he needs to insure that this investigation will be brought to its fullest conclusion, no matter how close it gets to the White House.

As a minority member of the House Judiciary Committee, I wanted to see an investigator appointed who would have true independence of action. That is why I would have liked to see a Special Prosecutor appointed. If there is anything in these Bert Lance-Carter warehouse stories that merit investigation, then they merit full investigation by an impartial source.

Otherwise you have an investigation into possibly the executive branch overseen by personnel hired and fired by the executive branch.

The Justice Department also has the power to fire the Special Counsel whenever it chooses. It fails to spell out exactly what he can be fired for.

This is simply not good enough. This is is a half-baked loaf the Justice Department has given us, and it will not do. They have given us the man, but not the job.

They must appoint a Special Prosecutor.

□ 1730

BALANCED FEDERAL BUDGET

The SPEAKER pro tempore (Mr. JENRETTE). Under a previous order of the House, the gentleman from Illinois (Mr. McCLORY) is recognized for 60 minutes.

Mr. McCLORY. Mr. Speaker, I have taken this time to engage in a discussion with a number of my colleagues on a subject which, in my view and in the view of many, will be the major domestic issue during the 96th Congress. The issue is most frequently described as a "constitutional amendment to require a balanced Federal budget." That description may be somewhat simplistic and sometimes arouses criticism. Those whose interest is in Federal spending programs or increased appropriations for one purpose or another—and who regard Federal deficits as of secondary interest—or of no concern to them at all—are the chief critics.

Some argue that a balanced budget does not guarantee a reduction in Federal spending as indeed it does not. Others point out that the budget contains so-called offbudget expenditures which are not currently included in the Federal budget and these have the effect of establishing Federal deficits beyond those which appear in the Federal budget itself.

The most frequent criticism against a constitutional amendment is simply this: Why does not the Congress handle the budget problem by legislation—by voluntary restraints—and thus avoid the stringent requirements of a constitutional amendment which could create some potentially unfortunate problems in the future?

As students of this subject have established, historically in our Nation, and elsewhere in the world, revenue estimates were invariably dealt with before expenditure estimates were established. In other words, our Founding Fathers and early political leaders of our Nation as well as of other nations embraced a philosophy of balanced budgets which would have made consideration of a constitutional requirement to balance expenditures against anticipated revenues superfluous.

Indeed, it was not until recent years that we adopted an economic philosophy probably influenced primarily by the late Lord Keynes that Federal deficits could be a good thing and that as a temporary device to ward off economic recession, deficits might be created which would be eliminated during more prosperous times. Unfortunately, the device of Federal deficits became the pattern and the Executive and the Congress both have appeared to display an indifference to the dire economic effects of large perennial national deficits.

The demand for a constitutional amendment to balance the Federal budget is not just some gimmick or some hastily contrived political scheme. The movement has been developing over a long period of time by thoughtful individuals thoroughly familiar with our private enterprise economic system, knowledgeable of their own personal economic affairs as well as the requirement to "balance the budget" of their businesses, communities, and States—or face the dire economic consequences.

A recent Gallup poll revealed that 80 percent of the American people favor a constitutional amendment to require a balanced Federal budget. The more recent Associated Press-CBS poll showed that more than 70 percent of those interviewed want a balanced budget amendment.

Mr. Speaker, the balanced budget and Federal deficits subjects are reviewed in a report prepared recently by John D. Fisk, analyst in government finance of the Economics Division of the Library of Congress. Excerpts from his report No. 79-19E are attached to these remarks, and I ask unanimous consent that they may be included.

Many of us regard Federal deficits and an unbalanced Federal budget as a principal cause of our present economic ills. Certainly, when we spend more money than we take in and are compelled to print dollars in order to pay for current expenditures, the value of the dollar diminishes. According to a chart which I have and which was prepared by the Department of Labor the dollar which was valued at 100 cents in the year 1900 was worth only 15 cents by 1976. It must have dropped even lower since that time.

During the same period, Federal deficits have increased so that our national debt now totals $830 billion. The national debt itself represents a per capita obligation of every man, woman, and child in the Nation of more than $4,000. Of course, if the dollar still had the same value today as it had back in 1900, this obligation would be more in the area of $500 per person.

Mr. Speaker, I am sure that when we established the Congressional Budget Office, many of us hoped that this would impose the kind of budgetary restraint which we felt was needed in order to restore confidence in our ability to manage our own Federal fiscal business. However, as we know, the legislation establishing the House and Senate Budget Offices did not pass until after we were confronted with these huge annual deficits. Consequently, the Congressional Budget Office

has been compelled to work with a Federal budget which was already way out of balance before their authority was even established.

I am sure that those of us who worked to create the Congressional Budget Office recognize the importance of this basic principle: That we should establish on an annual basis a top limit on Federal spending and that we should fit our annual expenditures within that limit. Likewise, of course, we intended that expenditures should be matched by revenues and that if additional expenditures were to be authorized, the revenues for defraying such additional expenditures should be provided.

As I said, the creation of the Congressional Budget Office came too late and the discipline of that legislation has proven to be inadequate.

In urging adoption of a proposed constitutional amendment to require a balanced Federal budget, a primary purpose must be to impose the kind of discipline on the Congress and the Executive which is required in order to bring about this goal.

Mr. Speaker, I do not want to suggest that I am holding to a particular simple answer to the balanced budget problem. I am not even certain that any one of the proposed constitutional amendments which have been introduced is the one which I will support. I believe that it is possible that a constitutional amendment to provide a limit on Federal spending or to mandate that increases in Federal spending shall be measured by increases in the gross national product or some other alternative might be the preferable solution to our present dilemma. However, what is clear to me is this: we must impose upon ourselves substantial discipline with respect to requiring more responsible management of the fiscal business of the Federal Government. This, in essence, is the legitimate and primary purpose of the balanced budget movement and it is the one which I hope we can discuss in some detail here today on the floor of the U.S. House of Representatives.

EXCERPTS FROM CONGRESSIONAL RESEARCH SERVICE REPORT

B. Legislation to balance the budget in the eighteenth and nineteenth centuries.

In the late eighteenth and early nineteenth centuries, customs duties were ordinarily more than sufficient to cover the minimal expenditures of the Federal Government. During these years before the Civil War, deficits were rare. The majority of the deficits which did occur were attributable to the War of 1812, the Mexican War of 1846 to 1848, the recession of 1837 to 1839, and the recession of 1857 to 1858. Excluding these years, only about ten deficits occurred between 1789 and the Civil War.[1] This financial abundance precluded congressional interest in legislation to balance the budget.

General agreement on the desirability of a balanced budget also contributed to a lack of congressional interest in legislation to balance the budget. Most statesmen publicly stated that outlays should not be allowed to exceed receipts; some even argued for surpluses to repay the national debt. Alexander Hamilton, serving as the first Secretary of the Treasury, suggested in 1795 that the national debt should be repaid within 30 years. Later administrations, such as Jefferson, Monroe, Adams, Jackson, and Taylor, agreed with this philosophy. Economists such as John Stuart Mill and the American, John McVickar, basically supported this opinion.[2] The common nineteenth century practice of setting aside money in a sinking fund for retirement of the national debt also suggests that there was little controversy over this issue. This general consensus made legislation requiring a balanced budget unnecessary.

One of the first legislative approaches to a balanced budget occurred under the Grant administration (1869–1877). This attempt occurred in response to the depression of the early 1870's. In 1973, Rep. Henry L. Dawes introduced a resolution requiring a reduction in estimated expenditures by departmental heads "to the end that all possible effort at reduction be exhausted before new burdens be imposed upon the people." [3] Rep. James Garfield offered a substitute resolution "that placed directly upon President Grant the responsibility for having estimates revised." [4] The House of Representatives adopted the Garfield substitute.[5] Congressional approval of legislation mandating lower expenditure estimates in 1873 can be attributed to the adverse financial conditions of the times. In 1873 and 1874, Federal receipts fell off markedly and budget surpluses were unusually small. Secretary of the Treasury William Richardson recommended "the greatest economy in appropriations and expenditures for the future." [6]

After the recovery from the recession of the 1870's, deficits were not troublesome until 1894. In fact, the administrations of Chester Arthur, Grover Cleveland, and Benjamin Harrison found surpluses to be a problem. Grover Cleveland even proposed a tax reduction to deal with this "indefensible extortion" and "culpable betrayal of American fairness and justice." [7]

C. Legislation to balance the budget in the twentieth century

At the end of the nineteenth century, the Federal Government experienced a series of deficits due to increased Federal spending for the Panama Canal, the Spanish-American War, public works, and pension benefits. Eleven deficits occurred between 1894 and 1912. This series of deficits did not result in the passage of legislation to balance the budget; instead, Congress responded with budgetary and financial management reforms. In 1893, Congress set up the Dockery Commission to examine financial management practices. In 1897, the Cockrell Committee was set up. These investigations were followed by reforms in accounting and the apportionment system. (The apportionment system is the process in which monies are distributed by the Offices of Management and Budget to Federal agencies in order to insure effective and orderly use of appropriated funds.) President Theodore Roosevelt set up the Keep Commission in 1905, and President Taft established the Commission on Economy and Efficiency in 1910. These commissions studied the budget process and management practices in the executive departments.[8]

Congress responded to the deficits between 1894 and 1912 with one act that attempted to prevent budget deficits, although this act did not specifically require a balanced budget. The Sundry Civil Appropriation Act was passed by Congress in 1909, and became Public Law 60–328. This act instructed the Secretary of the Treasury and the President to suggest measures to reduce expenditures or raise revenues if a deficit appeared probable. If this was not feasible, new loans or taxes should be suggested. Though this act did not require a balanced budget, it implied that an attempt to balance the budget should precede the issuance of new debt. Ultimately, the act was unsuccessful in achieving this goal.[9] World War I soon distracted attention away from the subject of a balanced Federal budget, as Congress chose to concentrate on the war effort.

After World War I, Congress again focused its attention on debt retirement and on budgetary reform. The Victory Liberty Loan Act of 1919 created a sinking fund for debt retirement. Between 1920 and 1930, the public debt outstanding was reduced by $8.1 billion, from $24.3 billion to $16.2 billion.[10] In 1919, an important budget reform bill was passed by Congress; however, President Wilson vetoed the bill. In 1921, Congress passed and President Harding signed the Budget and Accounting Act, an important milestone in budgetary reform. The attention paid to debt retirement and budgetary reform just after World War I, in combination with the absence of deficits between 1920 and 1930, resulted in little congressional interest in legislation to balance the budget during the 1920's.

The Great Depression of the 1930's led to large uninterrupted deficits between 1931 and 1940. These deficits typically ranged from $2 billion to $4 billion.[11] Both Congress and the executive struggled to achieve improvements in economy and efficiency, while growing expenditures occurred for recovery and relief programs. These expenditures prompted debate over the appropriate role of the Federal Government in fiscal policy. By the middle of the decade, Congressmen were introducing legislation requiring a balanced budget. In 1935, Sen. Millard E. Tydings introduced a resolution prohibiting appropriations from exceeding revenues unless new taxes or debt were authorized. Any debt incurred would have to be liquidated within 15 years.[12] No action was taken on this resolution. In 1937, Sen. Tydings reintroduced this resolution as S.J. Res. 36. Again, Congress did not act on the proposal.[13]

Rep. W. D. McFarlane took a different approach to balancing the budget. On March 18, 1936, Rep. McFarlane introduced H.R. 11895. This resolution would have given the President authority to change tax rates in order to cover any proposed deficit in his annual budget. The House Ways and Means Committee did not act on the bill.[14]

Since the beginning of World War II, members of Congress have expressed almost continual interest in the subject of a balanced budget, though no legislation specifically requiring a balanced budget was passed until the 95th Congress. This interest can be attributed to the frequency of budget deficits during this period. In the 39 years between 1940 and 1978, 31 deficits occurred.[15] Congress has responded to these deficits with budgetary reform and with legislation to limit Federal spending.

In the 1940's, Sen. Tydings continued to introduce legislation to balance the budget. In 1943, he introduced S.J. Res. 97, a constitutional amendment requiring that appropriations not exceed receipts. Rep. Disney introduced an identical bill (H.J. Res. 195) in the House. Congress did not act in either bill.[16] In 1947, Sen. Tydings and Sen. Bridges introduced S.J. Res. 61, a constitutional amendment similar to the earlier proposal. This bill was reported to the Senate floor, but received no further consideration.[17]

In 1949, Congress came closer to passing a resolution relating to a balanced Federal budget. On Sept. 23, 1949, Sen. McClellan introduced S.J. 131. This resolution required the President to submit a balanced budget for fiscal 1951. In addition, the President would submit a second budget as he saw fit. Congress could then compare the two budgets in order to identify possible expenditure reductions and revenue increases. Senators McClellan, Ferguson, Byrd, Eastland, and Stennis offered S.J. Res. 131 as an amend-

Footnotes at end of article.

ment to H.R. 1689, the Executive Pay Raise Act. On Sept. 29, 1949, the amendment passed the Senate without a dissenting vote; however, this proposal was dropped in conference.[18]

In the 82nd Congress, the issue of an alternative balanced budget was again considered in the Senate. The Senate Committee on Government Operations in 1952 reported favorably S. 913, a bill creating a Joint Committee on the Budget. The Committee also approved an amendment to S. 913, requiring the submission by the President of two budgets, one of which had to be balanced. During the consideraton of S. 913 on the floor, the Senate rejected the proposed amendment requiring an alternative balanced budget.[19]

Legislation requiring a balanced budget has been introduced in every Congress since the 84th. Hearings have been held on proposals to balance the budget, most recently in the 94th Congress before the Subcommittee on Constitutional Amendments of the Senate Committee on the Judiciary.[20] To our knowledge, none of these bills introduced between the 84th and 94th Congress have received serious consideration on the floor of either house. Instead, Congress seems to have concentrated on income tax surcharges, expenditure ceilings, public debt limit legislation, and budgetary reform. Though none of this legislation specifically required a balanced budget, some bills and amendments were intended to limit Federal expenditures. Other legislation established a balanced budget as a goal, without specifically requiring that outlays not exceed receipts. One example of the later type of legislation is H.R. 8363, the Revenue Act of 1964.

The House Ways and Means Committee began hearings on H.R. 8363 early in 1963. This tax reduction bill was intended to stimulate the economy in a time of economic slack. It was assumed that the reduced tax rates would lead to an increase in tax receipts. In the House passed version of H.R. 8363, section one of the act declared that increased receipts should be used to eliminate the deficit and reduce the public debt. In addition, the act stated:

". . . To further the objective of balanced budgets in the near future, Congress, by this action, recognizes the importance of taking all reasonable means to restrain Government spending. . . ."

The Senate struck this provision from the bill, but agreed to its reinsertion by the conference committee. On Feb. 23, 1964, President Johnson signed the Revenue Act of 1964, making it Public Law 88-272.[21]

Other legislation between the 84th and 94th Congress was intended to limit and control Federal spending, without resorting to mandatory balanced budgets. For example, a continuing appropriations bill for 1968 was amended in conference to include ceilings on Federal spending. The act stated:

". . . Federal obligations and expenditures in controllable programs for the fiscal year 1968 should be reduced by no less than $9,000,000,000 and $4,000,000,000, respectively, below the President's budget requests. . . ."

In addition, the act provided for two percent reductions in estimated obligations for personnel costs, and ten percent reductions in estimated obligations for all other costs in every agency and department. This legislation was signed by the President on Dec. 18, 1967, becoming Public Law 90-218.[22]

III. LEGISLATION IN THE 95TH CONGRESS PROPOSING A BALANCED BUDGET

The 95th Congress chose a different approach to limiting Federal spending. It was less concerned with reforming the budget process than some previous Congresses, and more concerned with legislation that required a balanced budget. This concern can be partially attributed to California's Proposition 13.

In the 95th Congress, two pieces of legislation with provisions relating to a balanced budget were passed by Congress and signed into law. One of these laws was P.L. 95-435 (H.R. 9214), authorizing U.S. participation in the supplementary financing facility of the International Monetary Fund. An amendment to balance the budget was introduced on July 31, 1978 by Sen. Harry F. Byrd which stated:

"Beginning with Fiscal Year 1981, the total budget outlays of the Federal Government shall not exceed its receipts."[23]

The Senate agreed to this amendment by a vote of 58 to 28. On September 14, 1978, the House agreed to a motion to instruct its conferees to accept the Byrd amendment. The final conference version of the International Monetary Fund bill included this provision requiring a balanced budget by fiscal 1981. The President signed this bill into law on Oct. 10, 1978.

A second bill passed by the 95th Congress with a provision relating to a balanced budget was the Full Employment and Balanced Growth Act of 1978 (commonly known as the Humphrey-Hawkins bill). On March 15, 1978, Rep. John M. Ashbrook offered an amendment to H.R. 50, the House version of the Humphrey-Hawkins bill. Ashbrook's amendment would not have required a balanced budget; however, it would have established a balanced budget by 1983 as a goal of the Federal Government. In addition, the amendment would have required the maintenance of this goal after 1983. Reps. Max Baucus and Butler Derrick offered an amendment to the Ashbrook amendment in the form of a substitute. Their amendment established a balanced budget as a goal of the Federal Government, but set no target for this goal. Rep. Ashbrook offered an amendment to the Baucus-Derick amendment reinserting into H.R. 50 his goal of a balanced budget by 1983. The Ashbrook amendment to the Baucus-Derrick amendment was defeated by a vote of 215 to 205. The Baucus-Derrick amendment offered as a substitute was agreed to by a vote of 411 to 3. The Ashbrook amendment, as amended by the Baucus-Derrick amendment, was accepted in a voice vote. As a result, when the House sent H.R. 50 to the Senate, The Full Employment and Balanced Growth Act of 1978 contained a goal of a balanced budget, but with no particular target date for achieving this goal.

The Senate took up the House version of the Humphrey-Hawkins bill at the end of the second session. Various portions of H.R. 50 were amended by the Senate, but the goal of a balanced budget remained in the bill. No target date for balancing the budget was included in H.R. 50 as passed by the Senate. The Senate completed action on the Humphrey-Hawkins bill on Oct. 13, 1978, agreeing to H.R. 50 by a vote of 70 to 19. The House approved the Senate amendments to H.R. 50 by a division vote of 56 to 14. The President signed the Full Employment and Balanced Growth Act of 1978 on Oct. 27, 1978, making it P.L. 95-523.

S. 50, the original Senate version of the Full Employment and Balanced Growth Act of 1978, never received consideration on the floor of the Senate because the House version was accepted by Congress. Nevertheless, the Senate Banking Committee considered and amended this version of the Humphrey-Hawkins bill. One amendment accepted by the Senate Banking Committee established a balanced budget as a goal of the Federal Government, without a target date for achieving this goal. This language adopted by the Senate Banking Committee was similar to the language in H.R. 50 as signed into law.[24]

The issue of a balanced budget was also considered by the 95th Congress during the debate over the tax cut bill, P.L. 95-600 (H.R. 13511). On Oct. 9, 1978, Sen. Sam Nunn offered an amendment to the tax cut bill which proposed reductions in individual income tax rates during the period 1980 through 1983. These reductions would only go into effect if Federal spending met certain requirements. One of these requirements was a balanced budget by 1982. (The budget would be balanced only if outlays in the second concurrent resolution on the budget did not exceed receipts in that resolution.) The Senate agreed to the Nunn amendment by a vote of 65 to 20. On Oct. 12, 1978, the House agreed to instruct its conferees to accept the Nunn amendment by a vote of 268 to 135. However, the Nunn amendment did not become law. The conference committee dropped the Nunn amendment, and the House and Senate accepted the conference committee's decision.

During the course of the 95th Congress, a large number of bills proposing a balanced budget were introduced, but not acted upon. Some bills, such as H.J. Res. 56, would require that receipts exceed outlays until the national debt was repaid. After repayment of the debt, outlays could not exceed receipts except in times of war or national emergency. Other bills, such as H.J. Res. 41, would prohibit outlays from exceeding receipts, but would not require repayment of the national debt. Other proposals would prohibit appropriations, instead of outlays, from exceeding receipts. H.J. Res. 14 falls into this category.

FOOTNOTES

[1] U.S. Department of the Treasury. Statistical Appendix to Annual Report of the Secretary of the Treasury on the State of the Finances, fiscal year 1977. pp. 4-7.

[2] Lewis H. Kimmel. Federal Budget and Fiscal Policy 1789-1958. 1959. pp. 1-60.

[3] Louis Fisher. Presidential Spending Power. 1975. pp. 19-24.

[4] Ibid.

[5] Ibid.

[6] U.S. Department of the Treasury. Annual Report on the State of the Finances, fiscal year 1873. p. ix.

[7] Kimmel, op cit., p. 73.

[8] For a discussion of these investigations and reforms, see: Fisher, op. cit., pp. 27-31.

[9] Jesse Burkhead. Government Budgeting. 1965. p. 17.

[10] U.S. Department of the Treasury. Statistical Appendix to Annual Report of the Secretary of the Treasury on the State of the Finances, fiscal year 1977. p. 65.

[11] U.S. Department of the Treasury. op. cit., p. 9.

[12] J. Wilner Sundelson. Budgetary Methods in National and State Governments. 1938. p. 414-415.

[13] Legislative Reference Service. Library of Congress. Digest of Public General Bills. 75th Congress. First Session. 1937. p. 97.

[14] John B. Braden. Legislation to Balance the Budget—Past and Present. Congressional Research Service, Library of Congress, 1975. p. 3.

[15] U.S. Department of the Treasury. op. cit., pp. 9-12.

[16] George B. Galloway. Reform of the Federal Budget. Legislative Research Service, Library of Congress, April 1950. pp. 78-79.

[17] Legislative Reference Service, Library of Congress. Digest of Public General Bills. 80th Congress. First Session. 1947. pp. xv, 107.

[18] U.S. Congress. Senate. Committee on Government Operations. Financial Management in the Federal Government, v. II. (Committee print prepared by the U.S. General Accounting Office). 1971. pp. 346-7.

[19] Ibid., p. 227.

[20] U.S. Congress. Senate. Committee on the Judiciary. Subcommittee on Constitutional Amendments. Balancing the Budget. Hearings, 94th Congress, 1st Session, on S.J. Res. 55 and S.J. Res. 93. Sept. 23 and Oct. 7, 1975.

[21] U.S. Congress. Senate. Committee on Government Operations, op. cit., pp. 4-6.

[22] Ibid., pp. 6–7.
[23] Congressional Record, v. 124, No. 117. July 31, 1978. p. 23411.
[24] U.S. Congress. Senate. Committee on Human Resources and Committee on Banking, Housing, and Urban Affairs; Report to Accompany S. 50. 1978. Rept. No. 95–1177.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield at that point?

Mr. McCLORY. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague yielding. I appreciate his calling this important issue to the attention of the whole House today. It is an important issue and especially the point he has just mentioned and that is that Congress has not acted and has not performed correctly under the regular budget resolutions each year.

The gentleman is absolutely correct. The American people are demanding that we put that constraint in the Constitution so that we can be assured that the Congress will act responsibly in the future. I compliment my colleague for bringing this to the attention of the whole House and making it clear that there are a large number of Members of this House who have always supported the concept the gentleman is now discussing and that we have wanted this discipline to be included in the machinery of the House for some time. I compliment him for doing it.

Mr. Speaker, I never expected to see the day when I could stand in this Chamber and hear statements that are so fiscally conservative as to make my own conservative philosophy pale by comparison. But it has happened. Now, please do not think I mind, I am delighted to see my colleagues embracing the tenets of fiscal conservatism so resolutely, it would appear that they are undergoing a kind of religious transformation. They are the new "born again" budget balancers.

However, when the geese change direction, politicians have been known to fly to the head of the flock. My Governor in California, Jerry Brown did this last June successfully. In the aftermath of proposition 13, a statewide poll revealed that many voters actually believed that it was Messrs. Jarvis and Brown, and not Jarvis and Gann, who were behind the tax-cutting amendment. Thus, Jerry spread his political wings. Not only did he change direction, but also he moved into the forefront of the tax-cutter's flightpath. Some of his proposals to limit the growth in Government even make sense. He sounds like me. I am sorry that I cannot say the same about some of my colleagues in this august body. It appears that in their haste to renavigate their political courses into closer proximity to the mood of the public, they are forgetting that words mean nothing. Only votes count. Naturally, I will be around to remind my colleagues of this from time to time, particularly when I introduce a resolution to eliminate the deficit in the next fiscal year during our forthcoming debates on the first and second concurrent budget resolutions.

Balancing the Federal budget, as many of my friends here already know, is a subject dear to my heart. From my perspective it is bad enough to have as much Federal spending as we do already, but borrowing to increase that spending even more, is tantamount to a sin. To make matters worse the very people who are responsible for breaking the budget are now touting how fiscally conservative they will be this session of Congress.

In the interest of encouraging fiscal conservatism, latent though it might have been just a short time ago, I welcome all the new "born again" budget balancers to the fold, and I urge them to carefully evaluate the various balanced-budget proposals that have been put forward, and will be put forward, with the understanding that balancing the Federal budget represents only the tip of the Federal spending iceberg. We can balance the budget on the backs of the taxpayer, but such actions will not confer a halo upon our heads for fiscal responsibility when we return to our districts and are greeted by irate constituents demanding tax relief and less government. Nor will there be any halos for those who have blindly voted against balancing the budget, after having fallen for the kinds of arguments Walter Heller, the economist, has been known to advance. His position has been that budget deficits can pump purchasing power into the economy. Therefore, they can stimulate economic growth when there is slack in the economy. If any of you think this statement is true, then I suggest that you take a close look at the data. Throughout our history, large Federal deficits caused, by a growing Federal budget, have neither systematically reduced the rate of unemployment, nor have they systematically stimulated the economy. If anything, unemployment tends to be higher, and economic growth lower when deficits are large.

Despite all the myths around, we must face the cold facts as to what budget deficits are, and are not. Budget deficits represent an obligation that the Government has to those citizens from whom it has borrowed. It is an obligation to levy taxes on the general citizenry upon the maturity of the debt. In some instances the budget deficit is financed via the Federal Reserve bank's printing presses, and this can be inflationary. Historically, however, the Fed's role in financing the debt has not been as great as many people have been led to believe. The blame for our current inflation is only partially attributable to our large deficits. The real problem with running budget deficits is that in most cases they are simply an expedient way of transferring wealth from one segment of society to another segment by forcing future generations to pay for the tab.

Unfortunately, today's generation of taxpayers is already paying part of the tab. With deficits growing, the Federal Government's obligation to increase tax rates has also been growing. As a consequence our Nation's financial managers have been systematically turning down high risk projects with paybacks too far off in the future. The bottom line has been that investment has been dropping off over a period of years, and along with it productivity. The only reason investment is perking up now is because of the tax cuts we enacted last session. With after-tax incomes for business and individuals, higher after the tax cut, the economy is surging along quite nicely. In short, all the things we said last summer about the positive effect tax cuts can have on incentives in the marketplace have come true.

Obviously in light of the positive effects tax cuts can have on the economy, we must not undermine the tax cutting movement by forcing the Congress to raise taxes to balance the budget. Across-the-board tax cuts will naturally lead to "paper" deficits because the Treasury is simply not able to calculate the supply-side effects that cutting tax rates have on the economy. Therefore, balanced budget proposals which make tax cutting impossible and tax increases inevitable must be avoided.

Mr. Speaker, there can be no doubt of the need to balance the budget. Large deficits associated with increased Federal spending serve only to stifle investment because of the expectation of higher taxes in future years. Nor can there be any doubt that the Founding Fathers ever intended to provide the Congress with a free ride to spend to their heart's content by virtue of inflation and the progressive tax code. They adopted provisions to limit the Federal Government but adoption of the 16th amendment has led to theemergence of powerful special interest groups in society who are competing for larger and larger shares of a growing Federal spending pie. Mr. Speaker, I will introduce an amendment to the U.S. Constitution which requires that there be a balanced budget; and requires that Congress offset the effect inflation has on the collection of tax revenues; provides that the Congress will only be able to spend more than the amount it collects upon favorable action by a three-fifths majority of both Houses of Congress; and tax increases will require three-fifths majority.

In the amendment I propose, it will be easier for the Congress to enact tax cuts than spending increases and tax increases. Spurring economic growth, and in the process expanding the tax base is a far better way to increase tax revenues, than by raising taxes from a shrinking tax base.

It is true that this course of action which I am proposing is somewhat unconventional, but I hope that my colleagues in this House will agree that it is a wise one—long overdue. This amendment will make it more difficult to increase spending and taxes. More importantly, it will enable us to decrease taxes, without violating the balanced budget rule.

By limiting spending and balancing the budget, this plan enables all Members of Congress to feel more comfortable in voting in favor of cutting the heavy burden of taxes which is destroying economic incentive and productivity in our society. It also gets to the heart of the fears that many of my colleagues and constituents are expressing over rising deficits. These fears are justified. Congress has been known to legislate spending programs that are wasteful, tax in-

creases which are economically counterproductive, and tax rebates that do not improve incentives in the marketplace. It is for this reason that we need a plan to guard against legislative proposals which, although well intended, can lead to deficits which are inflationary—if financed by the Federal Reserve Bank—or to deficits which result in a redistribution of income with the bill being paid by future generations.

Mr. McCLORY. Mr. Speaker, I thank the gentleman from California, who is a long time champion of the principle of a balanced Federal budget and I commend him on his contribution here today and his contribution at other times in endeavoring to secure fulfillment of the principle of a balanced Federal budget.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Arizona.

Mr. RUDD. Mr. Speaker, I thank the distinguished gentleman in the well for yielding. I want to express my appreciation for the gentleman taking out this timely special order on this most important subject that has become a subject of great concern to every citizen of this country.

Mr. Speaker, nothing has been more deceptive in recent months than the attempts of some politicians and administrative officials to find convenient scapegoats for the inflation which has brought such economic havoc to our Nation.

The American people are now demanding responsible action by their representatives. I believe that it is imperative that we act now or the action may be taken from us, to eliminate deficit spending and act toward balancing the Federal budget.

POLITICAL RHETORIC

At every turn, we have Government officials trying to lay the blame for inflation with businessmen, laborers, professional people, and other productive wage earners in our country. But the American people are not the cause of inflation. Wage and price increases are symptoms of our economic malaise, not the cause. People do not cause inflation, Government does.

In particular, deficit spending policies by the Federal Government along with excessive expansion of the money supply, are the cause of inflation. All of the political rhetoric in the world will not change that fundamental economic conclusion.

All manner of schemes have been proposed seeking to obscure this real cause of inflation. The administration has proposed hospial cost containment legislation, for example, when the hospitals' problems are exacerbated by Federal regulatory policies and other inflationary pressures, which drive up the cost of quality medical care.

Wage and price controls—supposedly voluntary—are proposed, implying that somehow labor and business can hold down the inflationary spiral, despite Government spending and regulatory excesses.

A complicated real wage insurance has been sent to Congress, again suggesting that workers and business, rather than Government, are the cause of our inflation problems. People and their business enterprises are the victims, not the perpetrators of inflation. These misguided administrator proposals, and others like them, have been suggested perhaps with good intentions, but they serve only to camouflage the cause of the problem: Continued rampant deficit spending by the Federal Government and expansion of the money supply.

DEFICIT SPENDING EQUALS INFLATION

Two well-known and highly respected economists have summarized the problem well. Henry Hazlitt, noted economic scholar and author of "What You Should Know About Inflation," has succinctly summarized the single cause of inflation—

> The direct cause of inflation is the issuance of an excessive amount of paper money. The most frequent cause of the issuance of too much paper money is a government budget deficit. The majority of economists have long recognized this, but the majority of politicians have studiously ignored it . . .

Mr. Speaker, I would suggest that the time has come to reappraise the bankrupt Keynesian economic philosophy, which justifies these deficit-spending Government policies. It is becoming abundantly clear that the people of this country, if not their representatives have, indeed, recognized the correlation between deficit spending and the inflation that is destroying our purchasing power.

As of today, 28 States have petitioned the Congress for a balanced budget amendment to the U.S. Constitution. The public opinion polls show overwhelming support for such an amendment. It is time for the Congress to recognize the economic correlation which the people have already discovered, and work to eliminate deficit spending.

ONLY ONE WAY TO CURE INFLATION

Nobel prize winner Milton Friedman gave a similar assessment and prescription for recovery last November.

> There is only one way to cure inflation. There aren't any alternatives. The only way to cure inflation is for the government to spend less and to print less money. It is the increase in the amount of money in circulation that is the primary cause of inflation. That comes from Washington and nowhere else. The attempt to impose voluntary price and wage controls is simply in my opinion an attempt on the part of the government to shift the responsibility for its own mistakes to labor and to business.

The blame must be placed where it belongs—not with the American people, who are the innocent victims—but with the Federal Government.

The Congress can change the economic policy of the country, and we must.

The American people are demanding responsible action by their representatives. I believe that it is imperative that we act now to eliminate deficit spending and act toward balancing the budget.

Mr. Speaker, I thank the gentleman for yielding.

□ 1740

Mr. SHUSTER. As the gentleman knows, and I would like to report to the entire House, the Republican Policy Committee met today and overwhelmingly voted to support the statement that calls for vigorous support of a constitutional amendment to require both a balanced budget and impose a limit on Federal spending.

I think it is of particular significance that, coupled with this overwhelming support by the Republican Policy Committee for this constitutional limit on spending, 74 percent of the Republican Members of this House are already on record in support, through cosponsoring, of a constitutional amendment to limit spending.

The American people have a right to know that it is the Republicans who support a constitutional limit on Federal spending. By contrast, only 29 percent of the Democrats in the House have cosponsored such legislation and indeed the Carter White House just recently has created a task force to lobby against the nationwide sentiment for this amendment.

While Republicans support the American people in trying to gain more control over big government, the Democrats support big government in trying to gain more control over the American people.

□ 1745

It should further be noted that in the past 25 years we have seen balanced budgets only four times, and it is of particular significance that the four balanced budgets which did occur—in 1956, 1957, 1960, and 1969—all occurred in Republican administrations, simply because of the longstanding Republican commitment to the principles of balanced budgets and limited government.

Indeed both the Republican platform and the legislative agenda of the Republican House have strongly supported a balanced budget and reduced taxes.

So if there is any question about any mixed signals, the action today by the Republican Policy Committee, coupled with the action of 74 percent of the Republican Members of the House, should certainly erase any questions as to mixed signals, because the Republicans in this House overwhelmingly are in support of a constitutional amendment to require a balanced budget and to require a limitation on spending.

Mr. Speaker, I include in the RECORD at this point in its entirety the Statement of the Republican Policy Committee:

REPUBLICAN POLICY COMMITTEE SUPPORTS CONSTITUTIONAL AMENDMENT TO BALANCE THE BUDGET AND LIMIT FEDERAL SPENDING

The Republican Policy Committee vigorously supports a Constitutional Amendment to require a balanced budget and impose a limit on federal spending.

For almost half a century, the Democrat-controlled Congress has perpetuated a "spend now—pay later" policy that has burdened the American people with run-away inflation, high taxes, and a national debt exceeding $800 billion. Republicans have consistently called for a balanced budget and lower spending—initiating dozens of votes in the House of Representatives over the last several years—which the Democrats have voted down.

If the Democrat majority in Congress had been responsive to the true interests of the American people, there would be no need for a Constitutional Amendment to balance the budget and limit federal spending. Instead,

the Democrat big spenders in Congress have voted to engage in deficit spending in 21 of the past 25 years and have increased federal spending as a percent of GNP from approximately 17.5% in 1955 to 22.1% in 1979. The four balanced budgets in 1956, 1957, 1960, and 1969 all occurred in Republican Administrations simply because of the long standing Republican commitment to the principle of balanced budgets and limited government. Both the Republican platform and the Legislative Agenda of a Republican House have strongly supported a balanced budget and reduced taxes.

The Democrat refusal to eliminate deficits and reduce federal spending has led to the current tax payers' revolt. The American people know that a family, a business, or a government cannot continue to spend more than it takes in without serious economic consequences. They know the continuous deficit spending policies of the Democrats is one of the fundamental causes of inflation, which shrinks the value of the dollar, drives up the cost of living, destroys jobs, dampens investment in new plants and equipment, reduces productivity, lowers the standard of living of the American people, and generally saps the economic vitality of our country.

The American people recognize that big government and excessive federal regulations from Washington are hurting them. They are rising up in protest. The latest Associated Press-NBC poll showed that 70 percent of those interviewed favored a balanced budget amendment. A recent Gallup poll put the ratio at six to one. Twenty-nine states have passed resolutions calling for a constitutional convention to consider an amendment to balance the budget. The American people want action. The public's demand for a constitutional convention to require a balanced budget is a colossal vote of no confidence in the Democrat politicians who control Washington. Americans are beginning to see with increased clarity that the Democrat party is a party of big government and bureaucratic regulation. Although Republicans represent a minority in Congress, they represent the majority view of the citizens of this country.

The Republican Policy Committee reminds voters that they can get a balanced budget the quickest—by electing a Republican majority to Congress in 1980. Republicans support the American people in trying to gain more control over big government while Democrats support big government in trying to gain more control over the American people.

The Republican Policy Committee believes that a Constitutional Amendment initiated by Congress is a quicker and preferable method to the Convention approach. We recognize that a Constitutional remedy will not be enacted overnight, and must be sufficiently broad to stand the test of time. Just as the 16th Amendment, through its power to directly tax income, created a new Constitutional force toward taxing and spending, it is time to redress that imbalance and create a countervailing Constitutional force towards restraint in taxing and spending.

The Republican Policy Committee believes it is crucial that a Constitutional Amendment not only require a balanced budget, but that it also place a limit on federal spending to fight inflation and stop passing on our debts to our children, so that the working people of America can keep more of what they earn, to spend as they see fit. We also believe that such an amendment must be "phased in" and contain a "safety valve" which requires a "greater than majority vote" for Congress to engage in deficit spending or remove the limitations on spending to meet an emergency.

Several proposals of merit have been introduced in the House to achieve these ends. We call upon the Judiciary Committee to complete its hearings on this issue expeditiously and bring this legislation to the floor of the House for consideration.

Republicans call upon the Democrat majority in Congress to act promptly on this historic issue. If they do not, the American people will mandate action through a call for a Constitutional Convention.

Mr. McCLORY. Mr. Speaker, I want to thank the gentleman from Pennsylvania (Mr. SHUSTER) and congratulate him as chairman of the Republican policy committee on his leadership and on his staunch support of this principle and for guiding and directing through the policy committee this extremely important statement, which in my view reflects not only the views of the Republican Members of this boby but the views of Republicans throughout the Nation and the overwhelming sentiments of the American people across the Nation.

I think we are responding today not just to a political philosophy; we are responding today to a broad-based public demand for action in this body to bring the kind of discipline which, it seems to me, is essential to responsible fiscal management of the business of our Federal Government.

Mr. SHUSTER. Mr. Speaker, I thank the gentleman for those words.

Mr. Speaker, if the gentleman will yield further, following up on the point he just made. I would suggest that while Republicans represent a minority in this House, they represent and reflect the majority view of the American people on this grave issue.

Mr. McCLORY. Mr. Speaker, I concur with the gentleman from Pennsylvania (Mr. SHUSTER). I thank the gentleman for his contribution and for his tireless work in support of this objective.

Mr. GRASSLEY. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from Iowa (Mr. GRASSLEY), who is likewise a staunch proponent of the balanced budget principle.

Mr. GRASSLEY. Mr. Speaker I thank the gentleman from Illinois for yielding. I want to thank him also for bringing this issue to the floor for discussion, because it is an issue on which the overwhelming majority of the American people agree, and it is about time that we act on it.

The people are expected us to act, and consequently I pray that we will act. I know that under his leadership we will.

The point I wanted to make—and I want to make it by way of complimenting the gentleman from Illinois (Mr. McCLORY)—is that I thank him for zeroing in on the main issue of bringing fiscal discpline to the Congress. The only way to do that is by changing the machinery of government to force that fiscal discipline on us.

I want to thank the gentleman from Illinois (Mr. McCLORY) for bringing that key point out, because it is so easy for the detractors of the balanced budget movement to ask: "Where are you going to cut?" or "What taxes do you want to increase to have a balanced budget?"

There are all sorts of things they might want to throw at us as excuses as to why we should not have a balanced budget. The point of discipline is just exactly the main point. I think that it is high time that we do bring about the fiscal discipline ourselves rather than waiting until a later day when the situation gets worse, when we may find ourselves in the same boat England found herself in about 3 years ago when they had serious financial conditions—and they still do. At that time they had to go to the International Monetary Fund to borrow money. Otherwise they could not borrow—by "they" I mean the Labor Party, the dominant party in the English Parliament—and they could not bring about the fiscal discipline they had to have.

In the process of going to the International Monetary Fund to borrow short term, they had forced upon them certain budget restrictions by the International Monetary Fund in order to qualify for the loan. When those restrictions were forced upon them by the International Monetary Fund, then the Labor Party in the Parliament did find the way of accomplishing the goals that they otherwise were unable to accomplish of their own volition.

I think it is sad that a great country, with the history that England has had, has had to have that fiscal discipline forced upon it from the outside. I hope we do not have to wait that long until we are in a sense destroying ourselves, to the point where we have to have forces outside of our control bring this discipline to us.

□ 1750

We have the opportunity. We ought to have the courage to accomplish it and, in a sense, then pass on to future generations the same great tradition we always have. Unless we do have that courage, we will not pass on that tradition.

Mr. McCLORY. I thank the gentleman from Iowa. I know that the gentleman is a very careful student of this subject and has expounded on the floor of the House many times the importance of adopting the principle of a balanced budget. I agree entirely with the gentleman that the discipline which was forced upon Great Britain as a result of its poor economic policies is likewise the kind of discipline which is going to be imposed upon us by others if we do not impose it upon ourselves.

I might say that some foreign bankers have already undertaken to lecture the U.S. economic managers with respect to the management of our own economy and have suggested in a very forceful way that we should restrain our Federal spending and we should take other economic steps which can help curb inflation and bolster the dollar.

May I say further that, while I describe this as the principal domestic issue in our country today, it is an international issue too, because when we consider what has happened to the dollar in the money markets around the world, when we see that the American dollar does not have the same respect that it had just a few years ago, we realize that

our reputation as a nation has diminished as a result of our profligate economic policies. It seems to me that what we are discussing here today is bringing some sense and some order and some stability to our Federal Government and its management of the economic and fiscal business of the Government.

Mr. LAGOMARSINO. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. LAGOMARSINO. Mr. Speaker, I want to thank the gentleman from Illinois (Mr. McCLORY) for taking this special order. I regret that so few of my colleagues are here for the occasion—perhaps it is a case of spring fever. Tomorrow is the first day of spring, but I would like to remind my colleagues that Spring brings more than flowers. It also brings tax returns. And there is nothing like seeing in black and white, just how much of your annual salary goes to support the Government to stir a man's soul. It was less than a year ago that something was stirring in my home State—a juggernaut with the unlikely name of proposition 13. There were many in Government who scoffed at the idea of limiting taxes. Today there are no scoffers, only believers. Those of us who have been preaching the gospel of cutting taxes are neither proud nor exclusive. We welcome all converts and rejoice that others have seen the light. Unfortunately there seems to be one holdout, at least, who has yet to be "born again," in a fiscal sense.

To those nay-sayers and prophets of doom, I urge that they listen to reason. In California we have had a constitutional requirement for a balanced budget for many years. It has not prevented the State from serving the people. It has prevented the State from amassing a public debt on the scale we voted on in this Chamber just last week. The President and others have said that requiring a balanced budget is an irresponsible act. Not at all. Balancing the budget is the responsible course of action. Irresponsibility is when you spend money you do not have. If you do that in private life, you might well get hauled off to jail, eventually. If you do it in Congress, it seems, you just get reelected.

Well, the public has finally seen through that game. There is no question in my mind that if this Congress fails to adopt a responsible method of balancing the budget, you are going to see a whole bunch of new faces on this floor when the 97th Congress convenes. And if you will not listen to reason, perhaps you will listen to another voice . . . the sound of millions of American taxpayers who are fed up with the way we have been acting in Congress.

The sound of 29 States who have gotten behind the drive for a balanced Federal budget. A sound that is only going to get louder, not softer, as spring grows into summer, and summer into fall. If we have not acted by this time next year, it will be taken out of our hands. I urge my colleagues to get in front of this drive, or get out of the way.

□ 1755

Mr. McCLORY. I thank the gentleman from California, and I applaud him on his very eloquent and very colorful statement. He and his other colleagues from California know better than any of the rest of us here, I think, the sentiments of the average voter, the average citizen, with respect to the impact of excessive taxation, excessive governmental expenditures, and the message which came in the resounding result of proposition 13 last year cannot be mistaken, it seems to me. It must be attributed in part to the new momentum and new emphasis which is being placed on the importance of adopting a constitutional amendment to require a balanced Federal budget or some equivalent restraint with respect to the expenditures by the Federal Government.

As the gentleman points out, the principle which we apply here with respect to Federal deficits is a principle which does not apply in any other walk of life, in business or in his State or any community. There is no logical basis why the economic principle which governs every other aspect of our economic lives should not be a principle which is made applicable here.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. Mr. Speaker, I yield to the gentleman from California (Mr. LUNGREN).

Mr. LUNGREN. Mr. Speaker, I would like to rise in support of a constitutional amendment to balance the Federal budget. I think this is the single most important piece of legislation Congress can enact this session.

I am already the cosponsor of one bill to require a constitutional amendment to balance the budget, and to pay off the national debt.

I follow in the footsteps of 29 States which have called for a constitutional convention to consider this question, and the majority of the American people who favor a balanced Federal budget.

Unfortunately, the only ones who are not very enthusiastic about this proposal are the Congress and the President.

Vice President MONDALE came out early in March saying the White House is "vigorously opposed" to a constitutional amendment to balance the Federal budget.

This weekend, the Washington papers ran stories of a new White House Task Force created to make sure a constitutional convention on this subject never convenes.

And when the Governor of my State, Jerry Brown, was here recently lobbying for such an amendment—he received nothing but ridicule from Members on his side of the aisle.

He was talking to the wrong people. He should have been talking to the Republicans in Congress.

A majority of Republican Members now have either sponsored or cosponsored bills to require a constitutional amendment to balance the Federal budget.

The California Republican delegation is overwhelmingly in favor of such an amendment.

And the freshmen Republican class passed a resolution supporting a constitutional amendment to balance the budget.

As cochairman of the Republican freshman class task force on this subject, I can tell you what our concerns are.

As just recently elected Members, we have not been initiated into the Washington propaganda against this concept.

We have just been initiated by the taxpayers into their angry mood over excessive Government spending.

And although a balanced budget constitutional amendment may not be the perfect cure-all to our problems, it is the symbol around which we need to rally.

The series of committee funding resolutions we have recently passed, voting ourselves huge increases in budget and committee staff, shows that this angry mood of the taxpayers has not yet hit the Congress.

We obviously need an outside disciplining force, such as this amendment.

And anyone who doubts that, has only to look at the difference between American public opinion as a whole—which supports the concept of a constitutional amendment to balance the budget—and the opinion of those who work for the Government in the Metropolitan Washington area.

A recent local radio station did a poll and found that 56 percent of those who live in the Washington-Maryland-Virginia metropolitan area are opposed to this amendment.

Many of them work directly or indirectly for the Government and do not want their purse strings cut, which is a sentiment clearly at odds with that of the rest of the country.

But we cannot hide our heads in the sand much longer. If the Congress does not do something about this, the taxpayers will force us to with a constitutional convention.

I am glad to see that the chairman of the Judiciary Committee, PETER RODINO, has finally decided to hold hearings on this subject beginning March 27.

I hope those hearings will be full, fair, and give an honest airing of the arguments supporting a balanced budget constitutional amendment.

Let us not be like the California State Legislature—which could not quite bring itself to believe that the public really wanted proposition 13.

□ 1800

Really what we are doing here is observing a large roller coaster coming down the pike with people riding on it, and either we can jump on that roller coaster and attempt to try to direct it appropriately or we can stand in its way and say, "No, it is never going to be," and then be run over by it; or we can jump to the side and say, "It is not important enough for us to consider. Let it go its way without any effort being made by the Members of this House."

That would be a tragedy.

Again, Mr. Speaker, I want to thank my colleague, the gentleman from Il-

linois (Mr. McCLORY) for having taken this special order. I can tell the Members that I, along with many Members of this Congress, will work with the gentleman from Illinois to see that this is made a reality.

Mr. McCLORY. Mr. Speaker, I thank the gentleman from California (Mr. LUNGREN).

The gentleman brings a very persuasive new voice to the Congress, and it is one which I and many others welcome here. I might say that the gentleman has served in the State Legislature in California and is therefore, especially familiar with the sentiments throughout that State.

I would also like to point out to the gentleman that I will be working on our side of the aisle to see that the hearings are complete, that they are comprehensive, that they are objective; but at the same time that they are conducted with dispatch so that we resolve this issue at the earliest possible date.

I am certain that we can do that. The hearings will begin next Tuesday and Wednesday, with very high-level witnesses to come before the committee, and they will be followed by other witnesses of similar caliber.

Mr. HOWARD. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New Jersey.

Mr. HOWARD. Mr. Speaker, I thank the gentleman for yielding.

With respect to the concern that there may be some apprehension that hearings conducted by the chairman of the Committee on the Judiciary, the dean of the New Jersey delegation (Mr. RODINO), might not be fair or might not be complete, I would just like to state that I believe that throughout this country there is not any Member of either body of Congress who, by his own record, has shown that hearings which he may hold would indeed be full, fair, and complete in every detail.

I am sure that, bolstered by the gentleman from Illinois (Mr. McCLORY), we can have every confidence in the gentleman from New Jersey (Mr. RODINO) and should not worry or have apprehensions publicly about the integrity of the Dean of the New Jersey delegation.

Again, I thank the gentleman for yielding.

□ 1805

Mr. McCLORY. I thank the gentleman from New Jersey.

Let me state, quite frankly, that the chairman of the committee has been very cooperative with me. We are working together both on lining up witnesses and trying to schedule hearings to have this issue disposed of. I judge that the chairman of the committee is very anxious to go into these hearings, not indicating what side of the issue he may come out on when it is ultimately resolved, but to tackle the issue, and to tackle it responsibly and promptly, and to see to it that we do the job. I think he does recognize that this is perhaps the key domestic issue in the 96th Congress at least in the year 1979, and while some have expressed apprehension that the hearings might be dragged out, with the expectation that somehow this issue would go away, I do not believe that that enters into the attitude of the chairman of the committee at all. I concur with the gentleman that the gentleman from New Jersey (Mr. RODINO) is going to act responsibly, and I am going to work with him to help resolve this issue at the earliest time possible.

Mr. LUNGREN. Mr. Speaker, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from California.

Mr. LUNGREN. I thank the gentleman for yielding.

In response to what was said, I do not want it felt that I was trying to disparage in any way the gentleman from New Jersey, (Mr. RODINO). I was trying to point out that there had been press reports to that effect. I want to make it very, very clear here that there is cooperation between the gentleman from Illinois (Mr. McCLORY) and the gentleman from New Jersey (Mr. RODINO) and that these hearings will be full, will be fair, will be complete, and, most importantly, will move with dispatch so that we can have a resolution of this question.

Mr. McCLORY. Let me just add in line with that that we have very responsible staff also working with us on both sides of the aisle. We are very proud of staff members Charles Kern on the Republican side and Alan Parker, Chief Counsel for the committee on the majority side. Both of these gentlemen are working cooperatively to bring the best possible information and the best possible testimony to the committee. I am sure that they will be working to see that the schedule moves along and that the issue gets resolved.

At this time I yield to the gentleman from Louisiana (Mr. LIVINGSTON).

Mr. LIVINGSTON. I thank my colleague, the gentleman from Illinois, for yielding. I would like to join all of my colleagues preceding me and add my voice to what was said. I would like also to congratulate the gentleman in the well, Mr. McCLORY, for his efforts in bringing this issue to the attention of the Members in this special order. This is a vitally important issue.

Mr. Speaker, because of spiraling inflation, the people of this country are demanding a constitutional convention to force Congress to do what it should have been doing all along—balance the Federal budget and eliminate the scourge of American monetary policy—deficit spending—which directly leads to an economic condition which cripples those very people that government seeks to help—the poor and the elderly—the people on fixed incomes.

I have some sincere doubts that a constitutional convention is the answer to our problems, but I do believe that it may just take such dramatic action to force Congress to make the difficult decisions it must make if we are to have a balanced budget. That is why I am cosponsoring several resolutions calling for an amendment compelling the Congress to balance the budget.

Like many of my distinguished colleagues in the House, I have tried to make it a general policy to vote against increases in the Federal budget, vote against big spending programs, vote against waste—but those votes were not enough. My votes have generally not expressed the sentiment of a majority of this body.

But, now the people are speaking out all over this country; and I trust that they will be heard and that unless we act, they will prevail. If we do not take strong action to require a balanced budget, the people will take that action for us.

Mr. Speaker, I will vote for a constitutional amendment to balance the budget because I believe it is the right thing to do. It is a clear, strong, unequivocal vote for fiscal responsibiilty, for restraint, for concern that American tax dollars not be squandered.

For that reason, I sincerely hope that my colleagues will support such a constitutional amendment. In Henry Clay's words:

> Government is a trust, and the officers of the government are trustees; and both the trust and the trustees are created for the benefit of the people.

As trustees, we must uphold the trust and show the people that we are serious about conserving their money, balancing the Federal budget, and eliminating federally sanctioned deficit spending.

□ 1810

Mr. McCLORY. Mr. Speaker, I thank the gentleman very much and I commend the gentleman as a cosponsor of this subject and for all the hard work and efforts he has put into advancing the principle of the balanced budget.

Mr. LIVINGSTON. Mr. Speaker, I thank the gentleman for his comments and sincerely thank him for bringing this to the attention of the public once again.

● Mr. O'BRIEN. Mr. Speaker, I rise today in support of a constitutional amendment to require a balanced Federal budget. I believe that this is an idea whose time has come, and although many of my colleagues are not ready for this remedial action, I believe that it behooves this membership to give this matter its very serious consideration.

Amending the U.S. Constitution is a very serious step, and a difficult process designed by our forefathers to prevent arbitrary and parochial changes. I particularly believe that the Constitution should not be amended to dictate matters for which there are legislative channels. The amendment that we are discussing today is such a case. The U.S. Congress is instructed, by this Constitution, to appropriate every cent that is spent by the Federal Government. Had this power invested in this body been exercised judiciously, there would be no need for such an amendment. I do not argue that this is a very strident measure to impose upon Congress. But I think through our own lack of restraint, because of many years of irresponsible deficit spending for which we are now paying a heavy price, we have brought this restrictive action upon ourselves. Quite frankly, we owe the American people an explanation. I regret even more deeply that this matter is only now being considered by this body because the

impetus is being provided by the citizens themselves through their local legislators because this body has been so unresponsive. For 4 years I have been a cosponsor of an amendment that would require a balanced Federal budget. I have supported legislation that would do the same. Yet, this has never even merited consideration by this House. It is, and it should be, embarrassing to this body that we will be holding hearings on such a proposed amendment because more than half of the States in the Union have indicated through their local legislatures that this is what they want. A nation wracked by ruinous inflation is demanding a stop-gap effort to eliminate permanently the deficit spending that we have so blithely authorized for most of the last 50 years. Yes; we can quibble about the validity of such petitions that are being presented to us by the States, but we cannot deny their intent. We can also, in our lofty style, state that we cannot be forced into a constitutional convention. This body is a master of dilatory tactics. But how much longer can we go on ignoring what has become a national referendum? No matter how you slice it, the American public is indicating to us, through grassroot movements, through organized tax revolts, through local legislatures, that they want something done about the price that they are paying for their Government. I believe that each one of us, when asked what we are trying to do to stop inflation, to bring Government spending under control, should be able to say that we were willing to make the first step ourselves; not because we were shamed or coerced into it, but because we are willing to make a positive, if painful, effort to relieve some of the burden this country bears because of inflation.

In conclusion, Mr. Speaker, I would like to state that I am not speaking as a fiscal authority. I do not presume to possess economic erudition, a grasp of the Keynesian theory, or other such lofty ideals. But I would like to share the same thoughts with you that I do with my constituents:

No nation, like no individual, can live beyond its means indefinitely. You just do not spend money that you do not have. We have been mortgaging our future for too many years at usurious rates of interest. And I think the time has come to make up our minds that our national checkbook has no more room for red ink.●

● Mr. SYMMS. Mr. Speaker, I thank my good colleague, Mr. McCLORY, for calling for this special order today on balancing the budget. I am also pleased that the Judiciary Committee will be holding hearings next week on the various balanced budget resolutions.

It is apparent that the grassroots drive for a balanced budget is finally reaching Washington, and the Congress is beginning to respond. I spoke before the Idaho Legislature on January 22, 1979, asking their assistance to help in promoting the enactment of a constitutional amendment requiring a balanced Federal budget. I am submitting to the RECORD the legislature's request for a balanced budget, House Concurrent Resolution No. 7, at the end of this statement.

I think Congress is beginning to recognize the need to balance the budget. The ravages of inflation are clear to all of us. Since 1967, the purchasing power of the dollar has been cut in half. And 81 percent of the American public support a constitutional amendment to require a balanced budget. For the first time, a majority of Americans understand that the Federal Government is to blame for inflation. In 1978, we saw the passage of proposition 13 in California, the 1-percent initiative in Idaho, and six other State tax reductions or limitations. Yet, the Congress in 1978 passed a budget which proposed spending $39 billion more than estimated revenues.

Because the Congress seems unable to cut the deficit, the State legislators in 29 States have taken the matter into their own hands and passed resolutions over the past 4 years calling on Congress to enact an amendment forbidding deficit spending except in times of declared emergency. These resolutions are not merely advisory, however. They go on to stipulate that should Congress fail to pass such an amendment that Congress must call a constitutional convention for the "sole and exclusive" purpose of passing a balanced budget amendment and sending it out to the States for ratification.

These 29 States are not taking great risks with the basic document of our Nation's Government, the U.S. Constitution. They have written limits of the convention into the calls. Former Senator Sam Ervin of North Carolina, the constitutional expert who wrote a set of rules for the establishment of such a convention supports this movement and is convinced that a constitutional convention not only should be limited but must be limited to a specific amendment. The American Bar Association also concurs that the Congress has the right to establish procedures for calling and conducting a constitutional convention.

I am of the personal opinion, however, that if enough States pass resolutions to this effect, Congress will act on the issue itself rather than actually go through with a convention. I am hopeful, though, that there will be continued work by private citizens and legislators on the State level to require Congress to curb the spending practices that have pushed our country to the edge of economic disaster.

I ask my colleagues to read Idaho's resolution which I have submitted below:

IN THE HOUSE OF REPRESENTATIVES, HOUSE CONCURRENT RESOLUTION NO. 7 BY STATE AFFAIRS COMMITTEE

A concurrent resolution for the purpose of requesting appropriate action by the Congress, either acting by consent of two-thirds of both houses or, upon the application of the legislatures of two-thirds of the several States, calling a constitutional convention to propose an amendment to the Federal Constitution to require, with certain exceptions, that the total of all Federal appropriations may not exceed the total of all estimated Federal Revenues in any fiscal year.

Be It Resolved by the Legislature of the State of Idaho:

Whereas, with each passing year this Nation becomes more deeply in debt as its expenditures grossly and repeatedly exceed available revenues, so that the public debt now exceeds hundreds of billions of dollars; and

Whereas, the annual federal budget continually demonstrates an unwillingness or inability of both the legislative and executive branches of the federal government to curtail spending to conform to available revenues; and

Whereas, unified budgets do not reflect actual spending because of the exclusion of special outlays which are not included in the budget nor subject to the legal public debt limit; and

Whereas, knowledgeable planning, fiscal prudence, and plain good sense require that the budget reflect all federal spending and be in balance; and

Whereas, believing that fiscal irresponsibility at the federal level, with the inflation which results from this policy, is the greatest threat which faces our Nation, we firmly believe that constitutional restraint is necessary to bring the fiscal discipline needed to restore financial responsibility; and

Whereas, under Article V of the Constitution of the United States, amendments to the Federal Constitution may be proposed by the Congress whenever two-thirds of both Houses deem it necessary, or on the application of the Legislatures of two-thirds of the several states the Congress shall call a Constitutional Convention for the purpose of proposing amendments. We believe such action vital.

Now, therefore, be it resolved by the members of the First Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring, that the Legislature proposes to the Congress of the United States that procedures be instituted in the Congress to add a new Article to the Constitution of the United States, and that the legislature requests the Congress to prepare and submit to the several states an amendment to the constitution of the United States, requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved, that, alternatively, the Legislature makes application and requests that the Congress of the United States call a Constitutional Convention for the specific and exclusive purpose of proposing an amendment to the Federal Constitution requiring in the absence of a national emergency that the total of all federal appropriations made by the Congress for any fiscal year may not exceed the total of all estimated federal revenues for that fiscal year; and

Be it further resolved, that this application by this Legislature constitutes a continuing application in accordance with Article V of the Constitution of the United States until at least two-thirds of the Legislatures of the several states have made similar applications pursuant to Article V, but if Congress proposes an amendment to the Constitution identical in subject matter to that contained in this resolution then this petition for a Constitutional Convention shall no longer be of any force or effect; and

Be it further resolved, that this application and request be deemed null and void, rescinded, and of no effect in the event that such convention not be limited to such specific and exclusive purpose; and

Be it further resolved, that this Legislature also proposes that the Legislatures of each of the several states comprising the United States apply to the Congress requesting the enactment of an appropriate amendment to the Federal Constitution; or require the Congress to call a Constitutional Con-

vention for proposing such an amendment to the Federal Constitution; and

Be it further resolved, that the Clerk of the House of Representatives be and he is hereby directed to forward copies of this resolution to the Secretary of State and presiding officers of both Houses of the Legislatures of each of the other States in the Union, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Congress of the United States representing the State of Idaho.●

● Mr. BAFALIS. Mr. Speaker, I want to take this opportunity to thank my colleague from Illinois, the Honorable ROBERT MCCLORY, for making available this time so my colleagues and I can have this opportunity to fully discuss a constitutional amendment to balance the budget and reduce spending.

This discussion is needed because the American people are angry. They are angry about waging a constant battle with inflation—and losing that battle.

They are tired of seeing prices go up faster than wages. They are tired of seeing their take-home pay depleted because wage increases merely push them into higher tax brackets without giving them any more spendable income.

They are tired of struggling on social security and perhaps a small pension and having to choose between heating their home or eating decent meals.

They are tired of skyrocketing home construction costs which push them further and further away from the American dream of owning their own home.

They are tired of escalating college tuitions which threaten their dreams of providing an education for their children.

And they are tired of factories and businesses putting off planned expansion and modernizations because of high interest rates—high rates caused by the pressure of massive Federal borrowing.

In short, the people are tired of what the Congress has done to the economy—and to their lives.

They have shown their anger openly when asked by pollsters to rate the Congress.

Every poll in recent years has shown the Congress slipping in prestige—down below doctors and lawyers, below businessmen, below used-car salesmen.

Until now, it has dropped so low it is evident the people just have no respect for the Congress at all.

And why should they?

It has been the Congress, with its refusal to say "no" to anyone, which has brought our economy to the brink of disaster.

It has been the Congress, with its willingness to borrow against the future and thereby avoid the tough choices of the present, which has brought about the drop in the value of the dollar, both at home and abroad.

I know many of my colleagues in the House have reservations about the wisdom of an amendment to the Constitution mandating a balanced Federal budget.

To them, I can only say, it was the Congress itself which brought about the drive for such a mandate. The people no longer have any faith in the ability of the Congress to spend the people's tax dollars wisely and frugally.

They want—they demand—restraints placed on the Congress to insure their money is spent wisely. And they know the best—in fact, the only way—to do that is through a constitutional amendment such as the one I and a number of other Members have already introduced.

The Constitution was written to protect the American people from possible excesses by the Government. And they want it clearly spelled out that they are to be protected from the excessive spending they have been forced to endure recently.

As Members of the U.S. House of Representatives—that body which prides itself on being the closest to the people—we have an obligation to take the steps necessary to restore not only the people's faith in the Congress, but also in our economy.

We can best do that by acting expeditiously on a constitutional amendment to mandate a balanced Federal budget each and every year—except, of course, in times of war or national emergency.

Every balanced budget amendment proposed in the House carries with it the provision for waiving the balanced budget requirement in times of war or national emergency.

And that will provide us the flexibility needed to deal with bona fide national emergencies. Yet it is strict enough to keep us from some of the willy-nilly actions of the past which destroyed the public's faith in us.

If we ignore this opportunity, if we procrastinate in hopes the public fervor will die down, we run the grave risk of alienating the electorate even further—of driving them to the point where all confidence in all government is lost.

Should that happen, the future of this representative democracy is imperiled.

Yet it need not be. In my opinion, the benefits of a balanced budget far outweigh the few problems such a mandate would create.

First, it will force us to whittle Government down to size, to make it far less ponderous and much more manageable. And, in doing that, we will make it more responsive to the people it serves.

Second, by getting Government out of the private money market, we will free up billions of dollars desparately needed by factories and businesses all across the Nation to expand, modernize, and grow. Big businesses and small will have the wherewithal to do those things they have long planned but could not afford because of the high interest rates.

And that means more jobs—jobs building the new plants and jobs modernizing the old businesses. Plus jobs in those new and expanded plants and stores.

That, in turn, would mean more revenue for the Federal Government—revenue we can use to take better care of those who need it, the senior citizens, the infirm, and the disabled; revenue to modernize our military establishment so it can better protect us in a world of danger; revenue to provide a better environment for us all.

We all know of unmet needs, of people who need help we cannot provide.

What better way to accomplish that than by giving our economy the boost it needs?

And, at the same time, prove to the American people that the Congress is responsive to the needs and wishes of the people it represents? ●

● Mr. DUNCAN of Tennessee. Mr. Speaker, I rise to add my voice to that of my colleagues in support of a constitutional amendment requiring a balanced budget. Since I became a Member of this House, this has been an issue that I have taken a serious interest in. Frankly, there were times in years past when I all but gave up hope that we might one day return to a sound, business-like way of conducting our Government's financial policy.

Today I am encouraged to see that the ideal of a balanced budget has again become popular, and enjoys such wide bipartisan support. I hope this fashion will not pass with time. We have the opportunity to prove to the American people that our call for a balanced budget is not just rhetoric designed to gain votes, but that we are serious in our effort to bring Government spending under control. In these times of decreasing trust in our political system, and its ability to find solutions to our problems, it is important that we do not fail.

There are some who argue that a constitutional amendment is neither proper or necessary, that by passing one we are putting the Government in a fiscal "straitjacket," and that Congress can discipline itself. None of these arguments convinces me that we should not pass such an amendment.

An amendment, properly drafted, is necessary. It will legally bind the Congress to its duty to be accountable to the taxpaying public which cannot, and will not tolerate higher taxes. The presence of some of our new colleagues in this House is testimony to that sentiment across the country. It was disheartening to hear on the news a few days ago that the administration is now projecting a smaller deficit than was originally predicted. The reason is that inflation, fueled by excess Government spending, has pushed the average family into a higher tax bracket. They have more money, but prices are higher and so are taxes. We are no better off than before, and we all know that one way to help bring this under control is to drastically reduce our deficit.

We are not putting the Government in a 'straitjacket" either. Every balanced budget amendment that I am aware of contains provisions that would allow deficit spending in times of genuine national emergency.

It is also said that Congress must discipline itself without resorting to so-called "gimmicks" like balanced budget amendments. I have great faith in this House, but I would remind everyone present of the immense pressure we receive from groups seeking increases in their operating budgets. There has been

such a proliferation of federally funded programs in recent years, that we must use every means possible to force ourselves to make hard decisions about how much we are spending, and in what program.

Finally, Mr. Speaker, the Constitution is the proper place for such an amendment. For the most part, the other amendments speak to the fundamental rights of American citizens. At issue in this debate is the question of Government accountability to the taxpayer. I consider an accountable, fiscally responsible Government to be a fundamental right for every American citizen.

Thank you.●

● Mr. ROBINSON. Mr. Speaker, as a longtime sponsor of a proposed constitutional amendment to require a balanced Federal budget except during wartime or similar national emergency, as well as a variety of related bills. I certainly wish to be on record as lending strongest support to efforts to get this vital legislation passed by the Congress without further delay.

Only a few days ago, it was pointed out on the floor of this House that we have created $105 billion more debt in the last 10 years than we created in the first 180 years of our history. A majority in the Congress has insisted on continuing this incredible deficit-spending spree despite periods of economic recovery and despite its stimulation of soaring, double-digit inflation that is proving ruinous to most Americans.

It is a national disgrace that our Federal debt has been allowed to rise to such colossal proportions—some $800 billion dollars and still skyrocketing—that just paying the interest on it has become the third most expensive item in the entire Federal budget. We will have to pay some $57 billion dollars in interest this year on this monumental borrowed sum, and it is more than we will be spending for the Departments of Agriculture, Commerce, Energy, Interior, Transportation, Justice, and State combined.

On March 15, we came within just two votes of forcing the House to consider a requirement that the Federal budget be balanced by 1981. It is an important indication that more and more Members of Congress are beginning to realize the necessity of stopping the wild spending that has so seriously jeopardized the health of our economy and the standard of living of our people.

However, many Americans remain unconvinced that the Congress will actually mend its profligate ways, and plug the flood of red ink that has been gushing from the national legislative spigot. I regret to say that this skepticism is amply justified in view of the fact that Congress has managed to balance the budget only one time in the last 19 years.

Furthermore, there is every dismaying prospect that this 96th Congress may be the first in history to increase the Federal debt eight times before it adjourns next year.

It appears crystal clear that the only real way that a majority in Congress can ever be forced to exercise the will and selfdiscipline necessary to balance our national ledgers is to ground this requirement in the iron foundation of the U.S. Constitution. It offers the best insurance that there will be compliance with today's overwhelming public demand for reduced Federal spending, reduced taxes and reduced Federal interferences in the lives of the people.

I welcome the start of hearings on March 27 before the Subcommittee on Monopolies and Commercial Law of the House Committee on the Judiciary on various proposed ways to achieve a balanced budget. But it is clear we will have to keep the pressure on for the people, or this first serious opportunity we have received to remedy the Nation's financial ills will be allowed to lapse by those in control of Congress who would rather talk economy than practice it.●

● Mr. WHITTAKER. Mr. Speaker, I believe in a government responsive to the American people. I am sure that you share this belief, and I trust that my colleagues here do, too.

But the American people are finding it increasingly hard to believe that we are trying to be responsive to their needs. I am speaking of the failure of the President and of the Congress to balance the Federal budget—or at least to set a firm date in the near future when we will adopt a balanced budget.

Our last balanced Federal budget was in fiscal year 1969. Yet we all know that our constituents want us to balance the budget, to cut away waste in Government, to make their tax burdens more reasonable.

An AP/NBC poll taken in early February showed that 70 percent of all Americans favored a constitutional amendment to balance the Federal budget, with only 18 percent opposing such an amendment. Twenty-nine States have either asked the Congress to call a constitutional convention for the purpose of proposing a balanced budget amendment, or have asked the Congress to propose one itself for ratification by the States.

Many among my colleagues have said that they do not want to take the path of amending the constitution to bring about a balanced budget. Instead, they ask the American people to believe them when they say that the budget will be balanced as soon as we are able to do so.

A constitutional amendment would not be necessary if we in the Congress were measuring up to the task of cutting the budget on our own. But, at the same time that large majorities of the people are calling for fiscal constraint, we are in the process of approving large budget increases for our own congressional committees.

Of the first 16 committees to have their budgets come before the Congress, 15 asked for an increase. The smallest of those increases was 8 percent; the largest increase was 2,603 percent.

I am supporting a constitutional amendment to require a balanced Federal budget because I think it is the best way to insure fiscal sanity here in the Congress. The recent allocations of money to our congressional committees are evidence enough that far too many Congressmen lack the resolve necessary to carry out their promises of belt-tightening.

It's not some trivial matter; this is one of the most important issues the Congress can address this year. We are now paying $60 billion a year just in interest on our $839 billion national debt. And the inflation rate has jumped considerably lessening the purchasing power of the dollar. In just the last 11 years, prices have doubled. And at our present inflation rate, prices will double again in only 9 years.

Economists are now telling us what the American people have known for some time—that these large Federal deficits are a major cause of our inflation. The people want us to cut the budget, and we know full well that cuts can be made.

One place that needs cut is the budget that provides for Federal regulators. With 84,700 people estimated to be on the Federal payroll to write regulations, the savings here would be tremendous.

But the key point is this—we must live up to our responsibility of representing the wishes of our constituents. They want a balanced Federal budget. It is our job to give them one.●

● Mrs. HOLT. Mr. Speaker, I urge you to reflect on the question of why a great and swelling number of American citizens are demanding constitutional limits on Government spending. The answer is clear: They have lost faith in the will or ability of Congress to protect their earnings and savings from the appetite of Government.

The fact that 29 States have demanded a constitutional amendment to require a balanced Federal budget is a very sad commentary on Congress. You may have some disagreement with the form of the amendment that is being proposed, but you cannot dispute the strength of this popular movement.

Instead of responding affirmatively to this roar from an angry public, too many of our leaders have reacted with fear and opposition.

We hear that a constitutional limit on fiscal policy would bind the Government in a straitjacket. This is not a very effective argument to use against a popular movement that intends to bind the Government. There are two ways to balance a budget, reduce spending or increase taxes.

We are told that people who work and save are acting selfishly by demanding constitutional limits on what Government can take from them. The issue here is liberty. The citizen knows that Government is taking an excessive share of his substance for purposes determined by Government, depriving the citizen of choice and opportunity in the use of the fruits of his labor.

The American people are not selfish. In fact, we have a history of unrivaled generosity and charitable undertakings, but there are limits. People have their own families to support, their own aspirations to fulfill, their own financial security to seek. The growth of Government spending is crippling their ability to meet their personal responsibilities.

By discouraging saving and investment, the burden of Government is also crippling the ability of our economy to compete in the world market and create jobs for Americans.

Some 190 years ago when the States were considering ratification of our Constitution, some voices protested that the document failed to limit the power of Congress to tax. The great patriot Patrick Henry raised that issue, as did other opponents of ratification in the several States.

We know that the Constitution has been the most successful charter in history for protecting the liberties of the people, but we also know that our cherished freedom is threatened as never before by the Government's power to spend, tax, and create public debt.

This is the session of Congress in which we must act to limit the power of this institution to devour the earnings and savings of the people.●

GENERAL LEAVE

Mr. McCLORY. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

WHEN TILLAGE ENDS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 45 minutes.

● Mr. JEFFORDS. Mr. Speaker, "When tillage begins," observed Daniel Webster, "other arts follow." But what would his comment have been about the growth or decline of civilizations in those places—those nations—which permit their tillage to end?

Not a useless question, for tillage is ending in many crucial places in the greatest agricultural nation of the world. A living example of this situation are the hundreds of farmers, many of them outstanding young farmers recently in Washington appealing to Congress for a little better break in the marketplace. They are faced with high capital cost (over inflated land values) which force them out of business or, at the very least, into the practice of poor land management by forcing marginal lands into production. And it is a bitter irony, this failure in the midst of plentitude. A price-depressing bumper crop in wheat and some other agricultural products, together with rising costs of farming, have induced not a few farmers to end their tillage on their own volition. This may or may not be a personal crisis for those leaving the land. In Illinois the farmers say that their land can produce three things: Corn, soybeans, or Miami Beach—if they sell it off for development. Such are the rewards of failure for a lucky few. For the rest, failure is often the reward of success as the mountains of wheat in Goodland, Kans., dramatically attested to summer before last. More grain will never get to Goodland, plowed under by bitter farmers. There are no developers hankering after their land, and if they refuse to pile up the wheat, there is nothing to stop the piling up of debt.

Part of the American solution to this problem—too much food from the land—is to be recklessly extravagant with our land; to convert it to urban uses, to cut it into pieces with highways, to inundate it with water supply projects, or just to let it wash away in summer or blow away in winter. And why not? Surely one solution to the problem of agricultural glut is to reduce the amount of agricultural land that causes it—and to reduce the numbers of farmers farming it. The problem is perceived, and dealt with almost automatically. The solution is already underway. But one must be cautious. For all too often, the real problem comes later—which is to figure out how to avoid the disaster brought about by the solution.

Recent Department of Agriculture research on the conversion of rural land to agriculture—precluding uses may not seem like a disaster yet, but it must cause some concern. The research shows that possibly up to 5 million rural acres a year are being developed or otherwise irreversibly converted to other uses. If this rate continues, and it is expected to, analysts predict that the best cropland reserves—a scant 24 million acres, less than 10 percent of the land now in production—may well be used up within less than a decade. At that point, low-yielding soils will have to be pressed into service. Rural land conversion will, for the first time in American history, begin to affect the very abundance of yield that now preoccupies most policymakers. Meanwhile, the Nation's agricultural estate, worth over $500 billion at today's prices, will inflate in value at least 10 percent per year—meaning that the cost of an agricultural acre will double every 7.2 years. In some places that doubling takes place every 2 or 3 years.

In short, the best of the acreage is getting smaller and smaller and pricier and pricier. This means that to maintain productivity and profitability, more will have to be gotten from each acre. But can it? Recent GAO reports are even questioning our ability to rebound to 1973–74 record levels. While the cropland base has been shinking and its cost ballooning, yields per acre have recently been leveling off. A combination of several factors may be producing this result. Among them: A high degree of variability in our climate; a measurable agricultural impact from air pollution and acid rain; increased costs for fuels, fertilizers, water, labor, machinery, and other supplies creating cutbacks in efficiency; genetic weakness, and a host of other ills. Though agricultural technology is moving ahead to counteract these difficulties, even the most optimistic of technologists warn of a slowing down of technological breakthroughs as compared to the incredible advances during the postwar period.

It is generally agreed regardless what philosophical or political puzzle is finally utilized that all the technical approaches used today will be needed in the future. The upcoming critical need for food dictates that the time in the history of this planet is at hand to keep soil movement at an absolute minimum. A recent study by the Council for Agricultural Science and Technology shows that one-third of America's cropland currently suffers soil erosion losses too great to be sustained without a productivity decline. Average soil erosion losses nationally are estimated to be between 9 and 12 tons per acre per year, and in some cases as high as 60 tons or more. It is estimated that 4 billion tons of sediment are carried by runoffs into our waterways annually, and another billion tons lost by wind.

Thus a kind of vicious circle is made complete: The land base shrinks, land prices increase, yields are low, costs go up, profitability declines, farmers move off the land, tillage ends, often permanently.

A contemporary economist would call this "adjustment." But a future historian—a later-day Daniel Webster—might see it more as a "tragedy."

And it may be wise to put what has been called "the greatest body of prime farmland on the face of the globe" into an historical perspective. Since the coming of age of this country as a world power, arguably a hundred years ago, that power has been based on our ability to exploit natural resources. But the iron that was dug out of the Mesabi Range has long since been depleted. And today the American steel industry is in disarray, its plants elderly—if not obsolete, its world markets diminished, its costs out of line. The same is true of other mineral resources and manufacturers. Yankee inguenity developed into technological supremacy in both gadgets and the machinery of war. But in technology many other countries have duplicated and sometimes exceeded our own genius. Our military might has been reduced, necessarily, to a matter of parity in the balance of power. Meanwhile, the low-cost fuels that gave rise to much of our world leadership are vastly reduced. The price tag this year for imported oil: $45 billion.

Yet, the resource we started with—hundreds of millions of acres of prime agricultural land across a whole continent—may be, in the end, a more important asset in maintaining our position of leadership in the world than any number of Mesabi Ranges, or oil fields, or roaring factories. The worldwide issue today is food. And, in this regard, the leadership of the United States cannot permit tillage to end even in the least of agricultural States or communities, for agriculture and the land base which supports it is our most durable source of strength and world leadership. And there are some patriots among us who recognize this. For example, in the State of Oregon, agricultural land is being protected by confining urban development to designated "growth areas." In Waterloo, Iowa, and

Pueblo, Colo., farmers have insisted on strict controls to keep inappropriate land uses out of farm areas. In Burlington County, N.J., and Suffolk County, N.Y., governments are offering to buy "development rights" from farmers in order to make it worth their while to keep their land in farm use.

How much of a problem is the loss of farmland? How crucial is this loss of productive capacity to the United States? And, how does this capacity relate to the maintenance of this country as a world power? These are important questions that simply cannot be glossed over by an economist's explanation that what is happening is simply a matter of "adjustment." More importantly, it seems clear to me that the entire Nation has a stake in the health of our agricultural sector and its land. Therefore, it is not fair for the Nation to expect farm communities to shoulder the whole burden.

In the 95th Congress, I introduced legislation aimed at dealing with "Farmland Protection," which proposed to elevate this serious issue to a level of national concern. During hearings on H.R. 11122, it was stated that between now and the turn of the century we must produce more food than previously produced since the dawning of time. That is a very heavy statement, and if true, let us not be caught in a duplication of the "towering inferno"—partying on the 13th floor with our productive base all burned out.

Last week, I reintroduced similar legislation (H.R. 2551) to the 96th Congress with 41 cosponsors. The height of awareness has increased considerably during the past 2 years on this issue. We spend a great deal of time and effort evaluating last year's product and thinking about what we might do to increase the interest and attention at the local level relative to this issue. The bill we developed is designed to do that.

First of all, the testimony presented last year made it very clear that the major culprit in the taking of good farmland is the Federal Government and its general lack of concern in carrying out its numerous activities. Thus, this legislation puts the burden on all segments of Government to develop and implement consistent positive policy which will overcome its current belligerent approach to this critical and loss issue.

Second, we do not know the facts as to how much land we are losing each year. Many people say that information is available and perhaps it is, but when you try to put your hands on it you find the facts are just not there. We need to document the facts to see what actually is happening.

Therefore, the bill establishes a Study Committee made up of farmers, locally elected officials, and Agriculture Committee members from the House and Senate all appointed by the President to take a look at the problem and to measure accurately the extent of our overall farmland loss. This study will only last for 3 years and at that time the duties of the Commission will be terminated permanently.

At this point, I would like to applaud President Carter and Secretary Bob Bergland for their development of an interagency study committee on this problem. If I see full implementation of their efforts, I will reevaluate the inclusion of this section of the legislation.

In addition, the bill would authorize the appropriation of $60 million over a 3-year period for demonstration projects at the local level to test techniques for reducing the amount of land converted out of agricultural usages. What might work in Connecticut might not work in Iowa or Texas and the demonstration projects would allow local communities to determine this.

We have tried to frame this bill around the idea that the solutions to problems such as this are best handled at either the State or local level. The only role the Federal Government should have after getting its own house in order, is to provide both technical and funding assistance and only under circumstances where it is actually requested by State or local communities.

I would also like to briefly mention the rationale behind farmland protection programs.

There are numerous reasons why communities and States have adopted or are considering adopting farmland protection programs. In many cases, a number of separate factors have generated interest in the issue.

The pattern of suburban development in this country since the end of World War II has characteristically involved "leapfrog" development in which developers skip over close-in vacant land, preferring less costly, and usually less intensively regulated farmland on the urban fringe. Such development patterns often result in more costly municipal services, and higher energy costs than development which takes place in close proximity to already developed areas.

A second rationale for farmland protection programs has been called the "impermanence syndrome." Leapfrog development on the metropolitan fringe together with urban and industrial development in rural areas lead farmers to perceive that their land (or adjacent land) is very likely to be developed in the next 10 or 15 years. As a result farmers are not likely to make major investment in facilities or equipment if they expect that the viability of their farm operation will be threatened by development pressures. As an area becomes increasingly developed, farmers may have to foot higher property taxes; labor costs go up; crop damage may be encountered from their new suburban or industrial neighbors; and the farmers may lose basic support industries and agricultural infrastructure that previously facilitated day-to-day farming operations.

A third reason for farmland protection programs concerns the viability of U.S. food producing capability itself. During the 1970's, growing world concern about long-term food supplies has stimulated interest in protecting agricultural land resource base in the face of increasing dependence on the U.S. food exports—both to supply world food needs and to offset the balance-of-payments drain caused by increasing costs for imported oil.

World demand for U.S. food has increased greatly in the last few years, and cropland utilization has increased accordingly.

I would also like to make an additional observation. Even as American farmers have increased cropland acreage planted, USDA's Soil Conservation Service (SCS) has significantly reduced its earlier estimates of the amount of potential cropland that is available to expand production. In its 1967 "Conservation Needs Inventory," the SCS estimated that an additional 266 million acres of potential cropland could be planted in excess of the land in crops at that time. In 1976, however, SCS, on the basis of a partial updating of its earlier inventory, was far more conservative about potentially available cropland. Its 1976 estimate was that only 111 million acres could be safely added to the 400 million acres the agency found to be in crops in 1975. An update to be released soon will show the situation increasingly critical. GAO reports that 24 million acres could be brought into production immediately, and would require little attention to prevent erosion and to produce satisfactory yields; 54 million acres were found to have a high potential for conversion to cropland, but would require some special soil and water management; a final 33 million acres of land was estimated to have a medium potential for conversion to cropland. These "medium potential" lands could have severe erosion and water disposal problems unless special management practices were applied, and would be more costly to convert. The SCS found it "questionable" whether land in addition to the 111 million acres could be converted to cropland.

If the SCS downward estimate of potentially available cropland is, indeed, accurate, then the rate of conversion of cropland to other uses takes on additional importance because the land available to replace the converted land will be taken from this inventory. Most analysts have tended to contrast the small annual loss of cropland—about 2.7 million acres offset by about 1.3 million acres brought into the cropland base annually—with the enormous amount of land in crops and, indeed, a 2.7-million-acre annual loss of cropland appears small when compared with the 385 to 400 million acres presently in crops.

In this post-surplus era, however, when the key consideration has been how to bring new land into production as quickly as possible, it is probably more meaningful to compare cropland loss with land potentially available to be used as cropland. The results of such a comparison are somewhat sobering. At the current level of annual cropland loss, all of the 111 million acres of land that the SCS estimates could be used for cropland would have to be brought into production in the next 40 years just to maintain the amount of land currently planted in crops. Moreover, it would take less than a decade for the more easily converted land to be brought into production: For the remaining land, the cost of bringing the land into production would rise, and the need for special soil

and water management practices would increase. Furthermore, the natural productivity of much of the potential cropland may be less than that of cropland lost to development, over a third of which is estimated to be prime cropland.

Whether or not the conversion of cropland to other uses will in fact have significant long-term impacts on American agriculture remains to be seen, however. Technological advances, for example, could mitigate or even all but eliminate reductions in production stemming from farmland loss.

This concluding section seeks to provide a kind of political "positioning" of the bill, emphasizing what both critics and supporters overlook—that it is a cautious proposal. Because the loss of agricultural land is so keenly felt in many areas of the country—primarily the urban and urbanizing States of the east and west coast and the upper midwest—there has been a good deal of pressure brought to bear on the Congress and the Carter administration to take more dramatic steps than my proposal currently envisons or to insure that the bill envisions more than it really does. There are always three courses of action open to policymakers: To do nothing, to study the problem further, or to take an indicated action. The Department of Agriculture's research indicating the rapid loss of cropland reserves when multiplied by financial crisis in the agricultural sector and by environmental and resource constraints on productivity seems to rule out the first course. To turn a blind eye to such problems would be irresponsible. At the same time, to take some indicated action is not persuasive either. What action?—one might ask. On the one hand, Federal action to induce a greater degree of land-use regulation raises the specter of inappropriate Federal intervention into powers reserved constitutionally to States and localities. On the other hand, direct or indirect Federal aid to farmers in the form of compensation for deeded rights in land to preclude conversion to other uses, while responsive to fifth amendment guarantees (just compensation), would nevertheless require such mammoth sums that it could, if applied uniformly and fairly to all farmland owners, be fiscally irresponsible and inflationary.

There is, most likely, no one way to protect the agricultural land base. As H. L. Mencken has observed:

> For every human problem there is a solution that is simple, neat, and wrong.

Through the work of the study committee envisioned by this proposal and its demonstration projects, the answers to the farmland dilemma will, one hopes, not be wrong because the bill proposes a conservation middle course to study the problem further. And to the extent possible it would like the study to take place in the field, using real events, real places, real people as its subject. This is a cautious approach and yet responsive to the evidence that it is essential for this Nation to protect "the greatest body of prime farmland on the face of the globe."

I encourage and would welcome the cosponsorship, by my colleagues, of this important legislation. For your convenience the complete context as well as a summary follows:

H.R. 2551

A bill to establish internal Federal policy concerning protection of certain agricultural land; to establish a Study Committee on the Protection of Agricultural Land; to establish a demonstration program relating to methods of protecting certain agricultural land from being used for nonagricultural purposes; and for other purposes

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Agricultural Land Protection Act".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress hereby finds that—

(1) each year between two and three million acres of land are being converted from agricultural uses to nonagricultural uses which is an alarmingly high conversion rate since the United States only has a cropland reserve of one hundred and eleven million acres of which only twenty-four million acres is immediately convertible to tillage;

(2) further increases in agricultural production cannot be projected because of changing weather patterns, soil erosion (caused by wind and water in excess of five billion tons annually), air pollution, competition for water, genetic vulnerability, increased costs and scarcities of fuels and fertilizers, and other factors;

(3) the decrease in agricultural land threatens the ability of the United States to produce food in sufficient quantities to meet the domestic needs of the United States at reasonable prices or to meet increasing world demand for food;

(4) information on the quantity and location of agricultural land being converted from agricultural uses to nonagricultural uses is incomplete and, therefore, unavailable to States and units of local governments which need such information to make informed decisions concerning utilization of their agricultural land;

(5) many Federal agencies conduct programs which utilize agricultural land for nonagricultural purposes or which otherwise have adverse effects on agricultural land; and

(6) information on the types of programs which are best suited for protecting and maintaining the quantity and quality of agricultural land is also incomplete and the feasibility and effectiveness of implementing such program needs to be studied and tested on a much broader geographic basis. Programs which appear highly successful in a given location may not meet with similar success at other points in the United States.

(b) It is, therefore, the purpose of this Act—

(1) to establish a committee—

(A) to study agricultural land, especially the quantity, quality, location, availability, and ownership of agricultural land;

(B) to study the relationship between the national concerns including but not limited to energy, the economy, the environment, urban growth and development, foreign relations and trade, and humanitarian aid; and

(C) to recommend to the President and each House of the Congress methods of retaining, protecting, and improving agricultural land and of ensuring that all major activities of the Federal Government are consistent with this policy;

(2) to establish the following programs under the Secretary of Agriculture:

(A) a program to develop, test, and demonstrate methods of protecting and maintaining the quantity and quality of agricultural land; and

(B) a program to provide technical assistance to States and units of local government concerning methods of protecting and maintaining the quantity and quality of their agricultural land and to provide financial assistance to such governments on a demonstration basis, for the purpose of selecting, and developing plans to implement, methods of protecting and maintaining the quantity and quality of their agricultural land.

TITLE I—FEDERAL AGENCY COMPLIANCE

DECLARATION OF PURPOSE

SEC. 101. The purposes of this title are—

(1) to recognize and respect the rights and responsibilities of private landholders in making land use decisions and the rights and responsibilities of State and units of local government in developing public policies regarding non-Federal land use;

(2) to provide for—

(A) the management of Federal lands in a manner which requires Federal agencies to consider the effects such management has on adjacent private and public agricultural land; and

(B) the coordination of such management with the management of adjacent private and public agricultural lands;

(3) to conduct Federal land oriented programs so that such programs contribute to the Nation's short- and long-range needs to assure adequate supplies of food, fiber, wood, water, and agricultural land; and

(4) to promote retention of agricultural land for agricultural purposes in any case in which conversions of land (A) are proposed by a Federal agency, (B) are licensed by, or require approval by, a Federal agency, or (C) are inconsistent with State or local government agricultural land retention programs.

DEVELOPMENT OF INTERNAL POLICIES

SEC. 102. (a) The Congress authorizes and directs that, to the fullest extent possible—

(1) the policies, regulations, and public laws of the United States shall be interpreted and administered in accordance with the policies set forth in this title; and

(2) all agencies of the Federal Government shall—

(A) identify and develop methods and procedures, which will insure that presently unquantified agricultural values may be given appropriate consideration in decision-making along with economic and technical considerations;

(B) study, develop, and describe appropriate alternatives to recommended courses of action in any proposal which involves unresolved conflicts concerning alternative uses of agricultural land;

(C) recognize the worldwide and long-range character of problems concerning agricultural land and, where consistent with the foreign policy of the United States, lend apropriate support to initiatives, resolutions, and programs designed to maximize international cooperation in anticipating and preventing a decline in the quantity and quality of mankind's agricultural land;

(D) make available to States, units of local government, institutions, and individuals, advice and information useful in restoring, maintaining, and enhancing the quantity and quality of agricultural land; and

(E) initiate and utilize agricultural information in the planning and development of agricultural land oriented projects.

(b) Each responsible Federal official shall provide early notification to, and solicit the views of, any State or any Federal land management entity or any other person concerning any action significantly affecting the quantity or quality of agricultural land or any alternative thereto which may have significant impacts upon such entity or person.

CONFORMITY OF ADMINISTRATIVE PROCEDURES

SEC. 103. All agencies of the Federal Government shall review their present statutory authority, administrative regulations, and current policies and procedures for the purpose of determining whether there are any deficiencies or inconsistencies therein which prohibit full compliance with the purposes and provisions of this title and shall propose to the President not later than July 1, 1980, such measures as may be necessary to bring their authority and policies into conformity with the intent, purposes, and procedures set forth in this title.

CONFORMITY OF FEDERAL ACTIONS

SEC. 104. Each Federal agency conducting or supporting any activity or development project, or administering a regulatory authority affecting agricultural land, shall conduct such activity, or development project, or administer such regulatory authority, in a manner consistent, with agricultural land retention programs established by a State or unit of local government.

TITLE II—STUDY COMMITTEE ON PROTECTION OF AGRICULTURAL LAND

ESTABLISHMENT

SEC. 201. (a) There is hereby established a committee to be known as the Study Committee on Protection of Agricultural Land (hereinafter in this Act referred to as the "Committee").

(b) The Committee shall be composed of such number of members, not less than ten, as the President considers necessary to carry out the objectives of this title. After consultation with the Secretary of Agriculture, the chairman of the House Committee on Agriculture, and the chairman of the Senate Committee on Agriculture, Nutrition, and Forestry, the President, within ninety days after the effective date of this Act, shall appoint the members of the Committee from among persons who are specially qualified to serve on the Committee by virtue of their education, training, or experience.

(c) The Chairman and Vice Chairman of the Committee shall be designated by the President at the time of their appointment to the Committee.

(d) Members of the Committee shall be appointed for the existence of the Committee.

(e) A vacancy in the Committee shall be filled in the manner in which the original appointment was made.

DUTIES

SEC. 202. (a) The Committee shall—

(1) develop and gather such information as is necessary to allow States and units of local government to make informed decisions concerning agricultural land;

(2) conduct an intensive study of—

(A) the quantity, quality, location, availability, and ownership, of agricultural land in the United States;

(B) the relationship of such land to the supply, demand, and production of food;

(C) the relationship between the national concern for agricultural land and other national concerns (including but not limited to the economy, the environment, population growth, urban growth and development, foreign relations and trade, and humanitarian aid);

(D) the effects of urbanization, industrial development, and other nonagricultural activities (such as air and water pollution, soil contamination, and losses due to theft, trespassing, and vandalism) on agricultural land and agricultural productivity.

(E) the effects of agricultural operations (such as noise, dust, odors, and pesticide contamination) on urban areas and on individuals residing in and around urban areas;

(F) the effects of existing Federal laws and regulations on the use of agricultural land and agricultural productivity;

(G) the effects of variable and unpredictable factors (such as climate, agricultural technology, air pollution, genetic vulnerability, and soil salinity) on productivity of agricultural land;

(H) the acquisitions of agricultural land by persons who are not engaged in farming activities in the United States including acquisitions by agricultural land investment funds, trusts, foreign citizens or agents of foreign citizens, or other similar entities and the effects of such acquisitions on agricultural production;

(I) the effects of competition between agricultural and nonagricultural demands for water;

(J) methods of protecting and improving agricultural land, including an analysis of the relative costs and benefits of such methods;

(K) methods of reducing the quantity of agricultural land, especially in and around urban areas, being converted from agricultural uses to nonagricultural uses; and

(L) the relationship between future supplies of energy and fertilizer resources and the production of food from available agricultural land; and

(3) periodically informing the Secretary of Agriculture of the activities being carried out by the Committee under this title and the results of such activities.

(b) In carrying out its duties under this title, the Committee shall use the research conducted by the Department of Agriculture, the land inventory carried out under section 302 of the Rural Development Act of 1972 (Public Law 92-419), the research and other programs carried out under title V of such Act, the appraisal and other programs carried out under the Soil and Water Resources Conservation Act of 1977 (Public Law 95-192), and other programs carried out under the laws of the United States in an effort to minimize duplication of activities. The Committee may advise, and make recommendations to, the Secretary of Agriculture with respect to any program carried out by the Secretary and referred to in the preceding sentence.

(c) In carrying out its duties under this title, the Committee shall hold such hearings as the Committee considers necessary to allow public participation.

REPORTS OF THE COMMITTEE

SEC. 203. (a) On or before July 1, 1983, the Committee shall transmit to the President, to each House of the Congress, and to the Secretary of Agriculture its final report. The Committee, in preparing such report, shall consider information and recommendations from the public provided under section 202 (c) of this Act and, before transmitting it, shall make it available to the public and invite public comments thereon.

(b) The final report shall, at a minimum include findings, conclusions, and recommendations of the Committee concerning—

(1) methods of ensuring that major actions of the Federal Government are consistent with the retention, protection, and improvement of agricultural land; and

(2) methods of retaining, protecting, and improving the quantity and quality of agricultural land and the relative costs and benefits of such methods.

TERMINATION

SEC. 204. Sixty days after the date on which it submits its final report under section 203, the Committee shall cease to exist. All records and papers of the Committee shall thereupon be delivered to the Administrator of General Services for deposit in the Archives of the United States.

PAY AND TRAVEL EXPENSES OF MEMBERS

SEC. 205. (a) Members of the Committee who are full-time officers or employees of the United States or Members of Congress shall receive no additional pay on account of their service on the Committee.

(b) Members of the Committee, other than those referred to in subsection (a) of this section, shall receive $100 for each day (including traveltime) during which they are actually engaged in the performance of the duties of the Committee.

(c) While away from their homes or regular places of business in the performance of services for the Committee, members of the Committee shall be allowed travel expenses, including per diem in lieu of subsistence, in the same manner as persons employed intermittently in the Government service are allowed expenses under section 5703(b) of title 5, United States Code.

ADMINISTRATIVE PROVISIONS

SEC. 206. (a) The Committee may appoint and fix the compensation of a staff director and such additional personnel as may be necessary to enable it to carry out its duties. The director and personnel may be appointed without regard to the provisions of title 5, United States Code, covering appointments in the competitive service, and may be paid, without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. Any Federal employee subject to the civil service laws and regulations who is employed by the Committee shall retain civil service status without interruption or loss of status or privilege. In no event shall any employee receive as compensation an amount in excess of the annual rate of basic pay payable for grade GS-18 of the General Schedule under section 5332 of title 5, United States Code.

(b) The Secretary of Agriculture, at the request of the Committee, shall, to the extent practicable, conduct such research as the Committee considers necessary to carry out its duties.

(c)(1) The Committee may—

(A) conduct such research and studies as it considers necessary to carry out its duties through grants made under contracts or other arrangements with persons (including public or private institutions or organizations) who are determined by the Committee to be qualified by knowledge or past experience to conduct such research and studies; and

(B) if necessary, transfer funds to and accept funds from other Federal agencies from sums appropriated pursuant to this title to carry out such of its duties as the Committee determines can best be carried out in such manner.

(2) Any contract or other arrangement made with any person for the conduct of research or study under this subsection shall contain or be subject to such conditions and requirements (including fiscal control and fund accounting procedures) as the Committee may determine to be reasonable and consistent with the objectives of this title. Such research or study must be completed on or before September 30, 1982.

(d) As may be necessary to enable it to carry out its duties, the Committee may obtain the services of experts and consultants in accordance with section 3109(b) of title 5, United States Code, at rates of pay which are fixed by the Committee and which do not exceed $100 per day.

(e) Upon request of the Committee, each department, agency, and instrumentality of the United States shall furnish to the Committee, on a reimbursable basis or otherwise, such information concerning agricultural land as the Committee considers necessary to

carry out its duties. The Committee may request that the departments, agencies, and instrumentalities of the States furnish to public and private institutions or organizations, on a reimbursable basis, such information concerning agricultural land as the Committee considers necessary to carry out its duties under this Act.

(f) Upon request of the Committee, the head of any Federal agency may detail, on a reimbursable basis, any of the personnel of such agency to the Committee to assist the Committee in carrying out its duties.

(g) The Committee may, for the purpose of carrying out the provisions of this title, hold such hearings, sit and act at such times and places, take such testimony, and receive such evidence, as the Committee deems advisable. The Committee may administer oaths or affirmations to witnesses appearing before it.

TITLE III—DEMONSTRATION PROGRAM

ESTABLISHMENT

SEC. 301. (a) The Secretary of Agriculture (hereinafter in this Act referred to as the "Secretary") shall, during the three-year period beginning on the effective date of this Act, provide financial and technical assistance to States and units of local governments for the purpose of developing, demonstrating, and testing methods of reducing the quantity of agricultural land (including agricultural land in and around urban areas) being converted from agricultural uses to nonagricultural uses.

(b) Assistance provided under this title shall be subject to such conditions and requirements (including fiscal control and fund accounting procedures) as the Secretary may determine to be reasonable and consistent with the objectives of this Act.

APPLICATION

SEC. 302. Any State or unit of local government interested in conducting a project developing, demonstrating, or testing a method of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses may submit to the Secretary an application at such time, in such form, and containing such information as the Secretary may, by rule, require. Such application shall, at a minimum, contain a description of the proposed project.

APPROVAL OF APPLICATIONS

SEC. 303. (a) The Secretary shall establish and publish in the Federal Register criteria on the basis of which applicants are selected to receive assistance under this title. Such criteria shall give priority to applications under which the Secretary is satisfied that—

(1) timely information useful to the Committee in carrying out its duties under this Act will be provided at a reasonable cost;

(2) new reliable information concerning agricultural land will be provided at a reasonable cost; and

(3) the policy of providing the Committee with a range of projects to study in terms of geographical locations and methods of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses will be furthered.

(b) The Secretary may only provide assistance under this title with respect to an application—

(1) which is approved under the criteria established under subsection (a) of this section;

(2) under which the applicant has agreed to complete the project described in the application on or before September 30, 1982.

(c) The Secretary may only provide assistance under this title with respect to no more than two projects demonstrating or testing (any individual method of reducing the amount of agricultural land being converted from agricultural uses to nonagricultural uses).

AMOUNT OF ASSISTANCE

SEC. 304. (a) Subject to the provisions of subsection (b) of this section, the amount of assistance which may be provided under this title with respect to any project shall be determined by the Secretary but may not exceed 50 per centum of the cost of preparing, establishing, demonstrating, conducting, and testing such project. The remainder of such costs shall be provided by the applicant in a manner which the Secretary determines is satisfactory. In determining the share of costs provided by the applicant, the Secretary must include the value of services provided by the applicant in planning, preparing, and issuing reports concerning, such project.

(b) The Secretary may not provide more than 20 per centum of any funds appropriated pursuant to this title for any fiscal year as assistance with respect to each project being carried out under this title during such fiscal year.

PARTICIPATION OF THE COMMITTEE

SEC. 305. The Secretary shall consult the Committee in planning and carrying out the demonstration program under this title and shall keep the Committee informed concerning the progress of projects being conducted under this title and the results of such projects.

REPORT OF THE SECRETARY

SEC. 306. On or before April 1, 1983, the Secretary shall prepare and transmit a report to the President, to each House of the Congress, and to the Committee. The report shall, at a minimum, contain a detailed statement of the findings and conclusions of the Secretary concerning the effectiveness of methods of reducing the quantity of agricultural land being converted from agricultural uses to nonagricultural uses, together with the Secretary's recommendations for such legislation or administrative action as the Secretary considers necessary to reduce the quantity of agricultural land being so converted.

TITLE IV—TECHNICAL ASSISTANCE PROGRAM

SEC. 401. (a) The Secretary, acting through the Soil Conservation Service of the Department of Agriculture, shall provide to States and units of local government—

(1) technical assistance concerning methods of protecting agricultural land and reducing the quantity of such land being converted from agricultural uses to nonagricultural uses; and

(2) financial assistance to enable such governments to select, and develop plans for implementing, methods of protecting agricultural land and reducing the quality of such land being converted from agricultural uses to nonagricultural uses.

(b) As a part of the technical assistance provided under this section, the Secretary shall disseminate the latest information available concerning the study and other activities being carried out by the Committee under title II of this Act and concerning the demonstration projects being conducted under title III of this Act.

(c)(1) The amount of financial assistance which the Secretary may provide to a State or unit of local government under this section shall not exceed 50 per centum of the costs of developing a plan for protecting agricultural land and reducing the quantity of agricultural land being converted in such State or unit from agricultural uses to nonagricultural uses.

(2) Such financial assistance shall be subject to such conditions and requirements (including fiscal control and fund accounting procedures) as the Secretary may determine to be reasonable and consistent with the objectives of this section.

TITLE V—GENERAL PROVISIONS

DEFINITIONS

SEC. 501. For purposes of this Act—

(1) The term "agricultural land" means any land (including cropland, pastureland, rangeland, or forestland but excluding urban built-up land or water) which has the best combination of physical and chemical characteristics for producing food, feed, forage, fiber, and oilseed crops, or a specific high value food or fiber crop, and is also available for these uses. It has the soil quality, growing season, and moisture supply needed to economically produce sustained high yields of corps when treated and managed, including water management according to acceptable farming methods. In general, agricultural lands have an adequate and dependable water supply from precipitation or irrigation, a favorable temperature and growing season, acceptable acidity or alkalinity and acceptable salt and sodium content. They are permeable to water and air. Agricultural lands are not excessively erodible or saturated with water for a long period of time, and they either do not flood frequently or are protected from flooding.

(2) The term "State" means any of the fifty States, the District of Columbia, the Commonwealth of Puerto Rico, or any territory or possession of the United States.

(3) The term "unit of local government" means the government of a county, municipality, town, township, village, or other unit of general government below the State level (determined on the basis of the same principles as are used by the Bureau of the Census for general statistical purposes).

LIMITATIONS

SEC. 502. Nothing in this Act authorizes, or may be construed to authorize, the Federal Government or any department, agency, or official thereof—

(1) to restrict or otherwise regulate in any way the use of privately owned land;

(2) to deprive landowners of their rights to property or to income from the sale of property; or

(3) to abrogate, restrict, or in any way diminish existing authority and responsibilities of the various States and units of local government respecting land use, zoning, taxation, or any other aspect of the regulation, utilization, and disposition of public or private lands within their respective jurisdictions.

EFFECTIVE DATE

SEC. 503. The provisions of this Act shall become effective October 1, 1979.

AUTHORIZATIONS FOR APPROPRIATIONS

SEC. 504. (a) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of title II of this Act for each of the four consecutive fiscal years beginning with the fiscal year ending on September 30, 1980.

(b) There are authorized to be appropriated to carry out the provisions of title III of this Act $15,000,000 for the fiscal year ending on September 30, 1980, $25,000,000 for the fiscal year ending on September 30, 1981, $20,000,000 for the fiscal year ending on September 30, 1982, and $500,000 for the fiscal year ending on September 30, 1983.

(c) There are authorized to be appropriated such sums as may be necessary to carry out the provisions of title IV of this Act for each of the four consecutive fiscal years beginning with the fiscal year ending on September 30, 1980.

SUMMARY OF AGRICULTURAL LAND PROTECTION ACT—H.R. 2551

Title I—Federal Agency Compliance/Development of Internal Policy:

Recognizes that many federal agencies conduct programs and fund projects which utilize good agricultural land for nonagricultural purposes or which otherwise have adverse effects on agricultural land.

Directs all federal agencies to develop and implement internal policies and procedures to ensure that agricultural land is given priority consideration when any federal project is contemplated. In addition, directs the President to ensure that these internal policies are consistent and in proper coordination.

A key provision of this title states that any Federal agency conducting a project or administering a regulatory activity affecting agricultural land must do so in a manner consistent with any agricultural land protection program established by a State or local unit of government.

Provides for need to recognize and respect the rights of private landholders in making any decisions at the federal level which may effect their land.

Title II—Study Committee on Protection of Agricultural Land:

Provides authority to the President to establish a Study committee to gather information on agricultural land and to make it available to states and local units of government.

President will consult with the Chairman of the House and Senate Ag. Committee and Secretary of Agriculture in establishing the committee.

Membership on the Study Committee would include good representation of farmers, farm organizations and state and locally elected officials.

Duties of the committee will include looking at the quantity, quality, location, availability and ownership (including foreign ownership), effects of existing federal laws, effects of urbanization and industrial development, effects of competition between agricultural and nonagricultural demands for water plus other key relationships such as energy, fertilizer resources, climatic conditions, foreign relations and trade and humanitarian aid, etc.

It is expected that the duties of the Study Committee could be carried out with present available staff, keeping the overall costs to a minimum. The Study Committee would cease to exist in 4 years.

Title III—Demonstration Program:

Authorizes the Secretary of Agriculture to make grants to states and local communities on a 50-50 matching basis to test methods for protecting agricultural land.

Authorizes funding on a three year basis at 15 million the first year, 25 million the second year and 20 million the third year. Also authorizes additional one half million for the Secretary of Agriculture for evaluation and publication of the results of these demonstration programs.

Allows for and encourages a variety of approaches to protecting agricultural land and limits to 20% the amount of funds appropriated under Title 3 that can be utilized in any one project approved during that fiscal year.

Allows a maximum of two projects researching any single method or approach to retaining agricultural land.

Title IV—Technical Assistance Program:

Authorizes the Soil Conservation Service in the Department of Agriculture to provide technical assistance to States and local units of government on methods of protecting agricultural land.

Also provides financial assistance to states and local government to develop plans and methods for protecting agricultural land.●

SUPPORT FOR THE NAVAL RESERVE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maine (Mr. EMERY) is recognized for 5 minutes.

● Mr. EMERY. Mr. Speaker, once again the administrtaion's defense budget includes a proposal to reduce the Selected Naval Reserve. This proposal, which would result in a reduction in strength from 87,000 personnel to 48,700 would cause unnecessary instability within the Reserve and will seriously affect mobilization capabilities.

This reduction, which the House opposed last year, would represent the elimination of nine Seabee battalions, four ASW helicopter squadrons, two air composite squadrons, two light attack helicopter squadrons, three amphibious ships, perhaps 20 reserve destroyers, and a host of other support units which the Navy has clearly defined requirements for.

It infuriates me to know that certain administrators in the Department of Defense or in OMB, without any apparent consideration of the importance of the Reserves to the Navy mission, chose to ignore oft repeated congressional support for the Naval Reserve. In fact, for the past 2 years, the Congress has specifically instructed the Defense Department to stabilize the Naval Reserve at 87,000 personnel. It seems that some individuals over in DOD have either not gotten the message or simply refuse to conform to the expressed wishes of the Congress.

It is incomprehensible to me that when our reservists train and contribute to almost all of the Navy's missions including providing 14 percent of Navy tactical air, 35 percent of maritime air patrol, 66 percent of coastal riverine forces, and 100 percent of U.S.-based logistical air capability, someone could recommend the elimination of 39,000 billets in the Reserve force.

It is inconsistent that the DOD would recommend such reductions in the Naval Reserve at a time when the Secretary of Defense, in his own posture statement before the Armed Services Committee stated:

> Maintaining personnel levels in the reserve force continues to be the most difficult problem we are experiencing in ensuring reserve readiness.

And, it is certainly alarming to see these proposed reductions when the Chief of Naval Operations, in testimony before the Armed Services Committee stated:

> Revitalization of the Naval Reserve is one of the principal objectives I have set for myself . . . lest there be any doubt, . . . I believe the Naval Reserve is an essential part of the Navy's wartime fighting capability . . . Its importance must continue to grow as the margin between the active Navy's capabilities and those of the Soviet competitor narrows. . . . I have made a personal commitment to support the Naval Reserve aggressively as a vital element in today's total Navy capability.

Mr. Speaker, the Naval Reserve is not some "gold-plated" luxury which can be toyed with at will with no effects on our overall capabilities. The Naval Reserve is an essential element in the Navy's equation to meet its maritime responsibilities.

At this time in our history, when we are confronted with a growing threat from Soviet naval power, we should be aiming to strengthen our naval assets such as the Reserve, not reduce them. Modernization should be the objective, not termination.

Rather than look for excuses to eliminate Naval Reserve units, the DOD should be addressing two of the more important problem areas in the Naval Reserve with an eye toward immediate revitalization and modernization. These areas include the ASW helicopter squadrons and the Fleet Reserve.

Currently, the ASW helicopter squadrons in the Reserve provide 100 percent of the Reserve CV close-in ASW capability. These squadrons give the Navy the ability to respond to wartime surge requirements against the large Soviet submarine threat. These squadrons also provide sea rescue service and could be utilized to support the Reserve Merchant Ship Defense System which would provide ASW protection for cargo ships equipped with modular flight decks. Although DOD skeptics have made negative comments regarding the capabilities of the SH-3 helicopters employed by these squadrons, the capabilities of these squadrons to perform necessary missions should not be doubted. At any rate, dissatisfaction with aircraft should not be a justification for eliminating whole squadrons. What should happen is that the already capable SH-3s be upgraded in capability or replaced with more capable aircraft such as the LAMPS system.

The Fleet Reserve, which currently deploys 23 overaged World War II destroyers, clearly does not measure up to the current-day threats posed by potential maritime adversaries. But, instead of eliminating 23 ships which could perform some important functions, the Fleet Reserve should be given newer ships including the Perry-class guided missile frigate which would allow the Reserve to assume a more credible role in convoy protection and ASW missions.

Mr. Speaker, the proposed reduction in the Naval Reserve is a bad decision and bankrupt of any military strategy or imagination. I urge my colleagues to review this matter and lend their support to the Naval Reserve by opposing this reduction. This Nation, and our Navy, need a strong Naval Reserve.●

THE SELECT COMMITTEE ON COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentle-

man from Illinois (Mr. CORCORAN) is recognized for 5 minutes.

● Mr. CORCORAN. Mr. Speaker, due to a previous commitment in Illinois yesterday, I was unable to be present on the House floor during consideration of House Resolution 118, the resolution which will establish a Select Committee on Committees. I intend to vote for passage of this resolution today for various reasons.

First, in this area of balanced budgets and restrained Federal spending, House Resolution 118 can create efficiency and better government for all Americans, thereby reducing Government expenditures.

Second, it has been my experience in Congress and before that time with the Illinois State Legislature that our committee structure is so critical to the legislative process that it periodically needs to be updated and reordered to correspond to current conditions.

The energy issue, which is on all of our minds, is one obvious example of the present inefficiency in House proceedings. No fewer than five committees handled various pieces of the President's energy package in the 95th Congress. As a result, a special ad hoc committee had to be established to develop a bill for our consideration.

Third, the Members of the other body have, in the past, taken on the task of reorganizing their committee functions in a way which should be used as an example for House reform. Moreover, the Bolling Commission of 1973–74 created an atmosphere for change which was unfortunately swept aside to a great degree by those who felt legislative reform was a mistake at that time.

I hope we are a little more flexible in this Congress as this new committee conducts its work and makes its recommendations for structural reform in our legislative process. Not everyone will be completely satisfied with the resulting proposals. There will be some in our ranks who will be very dissatisfied, but the goal of the committee members should be to restructure the committee jurisdictions, and hopefully committee rules, to meet the wants and needs of an increasingly changing—and I might add, politically cynical—country.

Mr. Speaker, in closing, I would encourage my colleagues to vote for House Resolution 118. This is not the ordinary special interest select committee. The Select Committee on Committees will determine how successful this House and the Houses in the future will be in coping with an ever-changing America.●

EASING THE IMPLEMENTATION OF STATE "WORKFARE" PROGRAMS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. GRASSLEY) is recognized for 5 minutes.

● Mr. GRASSLEY. Mr. Speaker, today I am introducing what I consider to be a very short and straightforward piece of legislation dealing with the topics of welfare reform and States' rights.

All that this simple—its only one page—measure would do is to allow any State that wants to impose work requirements as a condition of eligibility for aid to families with dependent children to do so. The bill is significant for what it does not do: It does not force any State to impose such a work requirement; it does not set standards or guidelines for the implementation of such a program; it does not allow for the cutoff of Federal funds to a State which wants to impose a work requirement.

Mr. Speaker, the idea that able-bodied people should be required to work for their welfare money is spreading rapidly across the United States. Several States, notably Utah, have tried to implement these so-called "workfare" plans, but they have run into criticism and bureaucratic roadblocks from the Department of Health, Education, and Welfare. Utah's plan, the Work Experience and Training Program, was to put people to work while they were drawing their welfare checks. The State of Utah actually lost almost a milion dollars because HEW withheld the Federal share of Utah's program for Aid to Families with Dependent Children before a compromise was worked out by placing the Utah program under HEW's Work Incentive Program.

A State should not be required to get HEW's permission before it can proceed with a "workfare" plan. The purpose of my bill is to make it easier for those States that want to implement work requirements, as a condition for eligibility of assistance, to do so. Again, the bill does not force any mandatory program of this type on a State, and it does not set any guidelines for the emplementation of a work requirement program—these decisions are left up to the States.

Our Nation's public assistance programs have their roots in the efforts of local people helping their less fortunate neighbors. Their efforts were usually on a private, then local, and later the State level. Now, these programs have expanded into an administrative nightmare on the national level. Efforts to reform and reconstruct our Federal welfare system are as old as the system itself, but I feel this measure is a major step in returning assistance to the State and local levels by making it clear that States do have the option of tying work requirements to receiving public assistance.

The bill follows:

H.R. 3105

A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work requirements as a condition of eligibility for aid to families with dependent children

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 402 of the Social Security Act is amended by adding at the end thereof the following new subsection:

"(d) Nothing in this part or part C, or in any State plan approved under this section, or in any regulation prescribed to implement this part or part C or any such State plan, shall be construed to prevent a State from imposing (on such terms and conditions and in such cases as the State may find to be necessary or appropriate, whether or not such terms, conditions, and cases are consistent with subsection (a)(19) or part C) a requirement that an individual or relative, or any other person (living in the same home) whose needs are taken into account in making the determination under subsection (a)(7), perform employment as a condition of eligibility for aid to families with dependent children.".

SEC. 2. The amendment made by the first section of this Act shall apply with respect to months after the month in which this Act is enacted.●

DR. SEMYON GLUZMAN, IMPRISONED SOVIET PSYCHIATRIST, SHOULD BE RELEASED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GREEN) is recognized for 10 minutes.

● Mr. GREEN. Mr. Speaker, in January, a "Psalm" reached the West from a prison camp in the Soviet Union. Its opening lines are:

O Lord, I sing thy praise
In the turmoil and darkness
Of the heathen temple.
Thou art, O Lord, indescribable, incomparable,
Invisible and omnipresent. . . .
And here am I who speak of meaning,
The meaning of my life in thy world.
Mine is the right to decide,
Choice and action,
Thou art word and meaning, thou the observer.

This Psalm was written by Dr. Semyon Gluzman, a 32-year-old Ukrainian psychiatrist who was imprisoned in the U.S.S.R. 7 years ago. His crime? Refusal to cooperate with the KGB to certify human rights and political activists as mentally ill.

Semyon Guzman's story is one of tremendous courage and conviction. After his imprisonment, Gluzman and human rights activist Vladimir Bukovsky wrote "A Manual of Psychiatry for Political Dissidents," a guide for fellow dissidents describing techniques to prevent being classified as psychotic by government psychiatrists, and smuggled it to the outside world. Gluzman has continuously agitated for freedom while in prison, going on self-imposed hunger strikes in protest of cruel treatment of his fellow prisoners. As a result, he has been harshly treated by prison guards, and has been kept in solitary confinement in a punishment cell.

The striking facts of Dr. Gluzman's case have generated great concern for his situation in the United States and throughout the world. Several thousand psychiatrists, mental health workers and physicians have signed protest petitions, and the Board of the American Psychiatric Association passed a resolution condemning his situation on behalf of its members at their national convention last spring. For the past several years in May on the anniversary of his imprisonment, an "International Gluzman Day" has been proclaimed in the United States

and other countries to protest his treatment at Soviet Embassies. During last year's event, I attempted to deliver petitions signed by the American medical community to the Soviet Mission in New York, but was refused entry.

On May 15, 1978, Dr. Gluzman was removed from his prison cell. His whereabouts were unknown until this January, when reports reached the outside world that he was alive but in very poor health and deteriorating rapidly. His 7 year strict prison term is scheduled to end sometime this spring or summer, and then he faces 3 more years of internal "exile."

Lest the Soviet Government underestimate the depth of human rights concerns in the United States, I have today introduced a resolution with Congressmen KEMP, BINGHAM, and BIAGGI, and 53 of our colleagues imploring the U.S.S.R. to release Dr. Gluzman and allow him and his family to emigrate to Israel. We hope that by this strong show of concern by Members of Congress from all parts of our Nation, it will be evident that Dr. Gluzman's freedom is of the utmost importance to great numbers of people.

Semyon Gluzman's new "Psalm" speaks in beautiful poetry of his indomitable religious belief and drive for freedom. After years of harsh confinement he holds out hope for the future. We in the Congress must do all that we can to help his dreams become realized, and I urge other Members of the House to join in this effort.

For the benefit of my colleagues, following is the full text of Semyon Gluzman's "Psalm," and our joint resolution.

PSALM

(By Dr. Semyon Gluzman, January, 1979)

O Lord, I sing thy praise
In the turmoil and darkness
Of the heathen temple.
Thou art, O Lord, indescribable, incomparable,
Invisible and omnipresent . . .
And here am I who speak of meaning.
The meaning of my life in the world.
Mine is the right to decide,
Choice and action,
Thou art word and meaning, thou the observer.
I love thy grass, O Lord,
The sun, and murmurs in the night.
The woman whom I have yet to meet,
The book I have yet to write.
I love the fragrance,
the sounds,
the colours
Of flowers, of the sea, of birds. Of freedom.
But still more I love meaning:
That the tree may grow from the earth,
Man from boy
And word from Truth.
The meaning of the sweet grape,
The salt sea,
The bitter cloud,
But not of the sweet lie
And bitter freedom.
I have learnt to see sweetness
In barbed wirethorns,
In Ural snows,
In smiling prison guards.
I have understood that even
Four months' fact may be sweet,
Without grapes, without the sea
In the smells,
sounds
sights
Of the concentration camp
I have felt and understood
The sweetness of Freedom.
My word grew from my truth,
My truth from my meaning,
But word, truth, meaning and I myself
From thy world, O Lord.
Mine is the right to decide
And I have chosen.
Without having met Woman
Without having written the book,
In the cold, amidst violence,
I have chosen, O Lord,
The meaning of Freedom.

H.J. RES. 265

A joint resolution imploring the Union of Soviet Socialist Republics to release Doctor Semyon Gluzman from prison and permit him and his family to immigrate to Israel

Whereas the reputation of Doctor Semyon Gluzman as a physician of outstanding psychiatric medical ability spread throughout the Soviet Union to the consternation of Soviet leaders;

Whereas Doctor Gluzman refused to cooperate with the KGB in certifying human rights advocates as mentally ill;

Whereas, subsequently, the doctor was arrested on charges of being a Zionist propagandist and an anti-Soviet agitator and found guilty and sentenced to prison for seven years, to be followed by three years in exile on October 19, 1972;

Whereas Doctor Gluzman's family received an invitation to join relatives in Israel;

Whereas for humanitarian and medical reasons Doctor Semyon Gluzman should be released from prison, and permitted with his family to immigrate to the State of Israel: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That President Leonid Brezhnev of the Union of Soviet Socialist Republics authorize the immediate release of Doctor Semyon Gluzman from prison and grant permission for him and his family to immigrate to Israel; and be it further

Resolved, That a copy of this resolution be forwarded to the Secretary of State of the United States of America for conveyance to President Leonid Brezhnev of the Union of Soviet Socialist Republics.●

TRADE SUBCOMMITTEE REVIEWS EXPORT CONTROL POLICY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has for some weeks been reviewing generally the Export Administration Act which expires in September of this year and which must be renewed and perhaps revised. This is an extremely important piece of legislation which provides the executive branch with authority, subject to various congressional guidelines and limits, to control exports for purposes of national security, foreign policy, and short, domestic supply. It also contains specific provisions limiting the export of Alaskan oil and prohibiting compliance by Americans with foreign boycotts.

Several bills have been introduced proposing major amendments in this legislation. I introduced legislation on March 1 (H.R. 2539) which would substantially revise national security and foreign policy export control procedures. Two bills are before the Subcommittee which propose amendments to the short supply provisions of the Act with respect to export of Alaskan oil (H.R. 2344) and cattle hides (H.R. 275).

Mr. Speaker, the Subcommittee hopes to mark up this legislation the week of April 2. For the convenience and guidance of Members, a summary of the Subcommittee's remaining hearing schedule prior to mark-up follows:

Wednesday, March 21, 3, 2255 RHOB, administration and public witnesses on export of Alaskan oil.

Thursday, March 22, 2, 2255 RHOB, administration and public witnesses on national security and foreign policy controls on U.S. exports, and oil exports.

Monday, March 26, 2, 2172 RHOB, public witnesses on national security and foreign policy controls on U.S. exports.

Tuesday, March 27, 2, 2200 RHOB, Members of Congress and public witnesses on technology transfer.

Wednesday, March 28, 3, 2255 RHOB, administration witnesses, implementation of U.S. anti-boycott laws.

Thursday, March 29, 2 (or whenever full committee adjourns), 2255 RHOB, administration witnesses, on all pending bills amending the Export Administration Act.●

BIELARUSIAN INDEPENDENCE DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, March 25 is the 61st anniversary of the Declaration of the Independence of Bielarus. We in the U.S. Congress have been elected by a free people and, therefore, we have an obligation to take this opportunity to focus the world's attention on the conditions under which the Bielarusian people are forced to live and speak out most energetically in behalf of their freedom.

The Bielarusian Coordinating Committee of Chicago, Ill., is dedicated to the restoration of human liberty in Bielarus and I commend its members and friends for their outstanding efforts to awaken the consciousness of free people everywhere and to lighten the burden suffered by the people of Bielarus. The committee is sponsoring a Bielarusian independence commemorative banquet and program on March 25, at the Regency Inn, 5319 West Diversey Avenue, in Chicago, beginning at 12:30 p.m., and I extend to all those in attendance my warmest best wishes as they continue to contribute mightly to the United States and its ideals of freedom and human dignity.

The Bielarusian people have been known under most confusing and improper terminology in English as Byelorussians and White Russians, and the Bielarusian coordinating committee has informed me that this terminology is

incorrect and offensive to Bielarusian national pride because it was taken from the Russian language and not the Bielarusian language.

Mr. Speaker, a statement on the occupation and oppression of Bielarus by Soviet Russia issued by the Bielarusian Coordinating Committee of Chicago follows, as well as a copy of the act of March 25, which was approved in 1918 by the third constituent charter of the Council (Rada) of the Bielarusian Democratic Republic, and which set in motion the independence of the Bielarusian people:

STATEMENT

Bielarus was proclaimed a free and independent state on March 25, 1918 in Minsk, the capital of Bielarus, but was not able to survive the Russian Bolshevik onslaught for too long. On orders from Lenin, a Byelorussian SSR was created in the Bielarusian City of Smolensk on January 1, 1919 in order to counter and to topple the duly elected Bielarusian government in Minsk. Although the Communists had succeeded in their attempts and Bielarus is still Communist controlled and dominated by Moscow, the Bielarusian people have not given up their earnest hope for their own controlled, free, and independent state of Bielarus. March 25 has become the symbol of Bielarusian national consciousness, the symbol of national pride, and the symbol of Bielarusian unity in diaspora. March 25 has been commemorated every year by Bielarusians throughout the Free World to show support and solidarity in the just aspirations of the Bielarusian people in their Russian Communist controlled homeland and to inform the world of their desires to be free of Russian domination and control.

Bielarus is the original name of the country and is better known in the English-speaking world under its Russian name as Byelorussia. Bielarus is a republic of the U.S.S.R. Despite the fact that Soviet Byelorussia is a member of the United Nations and is considered by the Soviet Government to be a "sovereign republic", with its "own constitution, parliament, legislative code, national emblem, flag and anthem", the Bielarusians are not free to decide for themselves and are greatly discriminated against by the Russians. In the Soviet Byelorussia, the Bielarusians comprise 80 per cent of the total population, but they have been deprived of their native language.

At least three-fourths of all schools, even those on the lower level, operate in the Russian language of instruction, and there are no textbooks and no dictionaries of Bielarusian-English, Bielarusian-German, Bielarusian-French, and Bielarusian-Spanish languages and so on, and vice versa. The Bielarusians are being deprived of their national and human rights. The Russian life style, the Russian customs and traditions, the Russian national traits, and the Russian way of thinking are being forced on the Bielarusian population. The Byelorussian Soviet Government cannot negotiate and sign any treaties, including commercial transactions, and it was excluded from the Helsinki Conference in 1975 and the Belgrade Conference in 1977–1978. Bielarusians are also excluded from the exchanges between East and West in the fields of culture, arts and sciences, education and sports, and those who succeed individually to be included in the Soviet representations are presented as Russians.

ACT OF MARCH 25

A year ago the peoples of Byelorussia, together with the peoples of Russia, threw off the yoke of Russian tsarism, which had oppressed Byelorussia most of all and, without asking the people, precipitated our land into the conflagration of war which totally destroyed Byelorussian cities and villages. Now we, the Council (Rada) of the Byelorussian Democratic Republic, have cast off from our native land the last vestige of national dependence which the Russian tsars imposed by force upon our free and independent land. From this time on, the Byelorussian Democratic Republic is proclaimed an independent and free state. The peoples of Byelorussia themselves, under the aegis of their Constituent Assembly, shall determine the future national relations of Byelorussia.

By virtue of this, all former national relations lose their force—relations which made it possible for a foreign government to sign the Treaty of Brest for Byelorussia, thus destroying the Byelorussian people by partitioning their land.

By virtue of this, the government of the Byelorussian Democratic Republic will establish relations with interested parties by proposing to them a review of that part of the Treaty of Brest which concerns Byelorussia and the signing of peace treaties with all belligerent states.

The Byelorussian Democratic Republic should include all those lands where the Byelorussian people constitute a numerical majority, namely: the Mahileu (Mogilev) region, the Byelorussian parts of the regions of Miensk (Minsk), Horadnia (Grodno) (including the cities of Horadnia, Bielastok, and others), Vilna, Viciebsk (Vitebsk), Smalensk, and Charnihau (Chernigov), as well as adjacent parts of neighboring gubernias inhabited by Byelorussians.

The Byelorussian Democratic Republic confirms all those rights and freedom of the citizens and peoples of Byelorussia which were proclaimed by the Constituent Charter of March 9, 1918.

Proclaiming the independence of the Byelorussian Democratic Republic, its Council expresses the hope that all freedom-loving peoples will assist the Byelorussian people to achieve fully their political and national ideals.●

TRAGIC CLOSING OF THE RENEGOTIATION BOARD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 5 minutes.

● Mr. GONZALEZ. Mr. Speaker, at the end of this month the Renegotiation Board will be forced to close its doors and, tragically, the war profiteers and their lackeys will be standing on the sidelines cheering. I have been a defender, advocate, and strong supporter of this watchdog Government agency for 14 years; but the question that keeps coming into my mind, and the question I believe each Member must ask himself is, why there is such a strong push to be sure this agency is done away with?

Surely there are other agencies that would save the Government much more money if they would be abolished and, in fact, this is one of the few that actually brings money back into the coffers of the Treasury. So then, why is there such a push to put an end to this agency whose purpose is to watch over one of the strongest industries in the world, the U.S. defense industry.

There are a number of allegations made against the Renegotiation Board that I believe have distorted the true picture surrounding the activities of the Board, and I am taking this opportunity to present the other side.

The first, and most often used argument in support of ending the Board is the cost. Those opposed to the Board continue to say that it costs the Government more to operate the Board than they receive in return. Based on the budget figures that I have, this is not true. In fact, the Board's budget is very small. In 1978 they spent $6,158,720 and their request for 1980 is only a little over $7,000,000. Yet in the last 5 years the Renegotiation Board has reported excessive profit determinations after State taxes to be in excess of $38 million per year and this figure certainly exceeds the cost to run the Board. And we cannot ignore the recent figures submitted by the Board which states that in the last 12 months they have made excessive profit determinations of $82,000,000.

While we are talking about cost, another argument frequently touted by the defense industry is that even if excessive profits do exist, the cost of compliance is so great that the savings to the Government is minimal. The industry has cited cost compliance figures anywhere from $40 million to $400 million, but there is really no basis for these figures. The General Accounting Office has spent a great deal of time and money studying the costs claimed by various contractors and concluded that they were completely unable to determine how much defense contractors actually spend on complying with the renegotiation process. This is due mainly because most of the information the Board needs is information concerning costs, profits, and losses allocated either to Government or commercial business and most of this data is kept by businesses regardless of whether or not they are involved with the renegotiation process.

Another familiar allegation in opposition to the Board is that we presently have safeguards in the procurement process such as truth in negotiation and cost accounting standards. True, these safeguards do exist and are needed, but why then does the Renegotiation Board continue to find excessive profits, even after contracts are scrutinized under these procedures. The Board continues to find excessive profits because, while these regulations make procurement a more orderly and objective process, they do not prevent or eliminate excessive profits.

One important point that should be stressed at this time is that there is very little competition in the defense industry. For example, in 1978, 63.8 percent of all defense contracts were awarded to sole sources, and our Nation spent $57.7 billion on military procurement in 1978. This is more than we spent during the Vietnam war which in the peak year of 1968 was $43.8 billion.

Speaking of war years, another often heard argument against the Renegotiation Board is that it was set up to deal with wartime contracts executed in haste at a time when the Government had no option to pursue competitive bidding and full freedom of choice amongst suppliers, and it should only be used during these

trying times. This proposition has been refuted a long time ago both by the Supreme Court which upheld the constitutionality of renegotiation and by the Congress which extended the coverage of the act in peacetime seven consecutive times from 1954 to 1964, at the requests of Presidents Eisenhower, Kennedy and Johnson, and now Carter.

The opponents of the Board have continually made a great deal over the backlog of cases pending before the Board. The present backlog, whose value is approximately $162 million, include such industry giants as General Dynamics, Litton, Westinghouse, Hughes Aircraft, and others, who would no doubt be delighted to see the Board close its doors on March 31. But I cannot see what bearing this backlog should have on doing away with the Board. Renegotiation is a complicated procedure that takes a great deal of expertise and thus backlogs are inevitable. However, it should be noted that this backlog undoubtedly grew during the recent period and was mainly due to a shortage of personnel as well as a recent Board policy of a more thorough going investigation of filings by large defense contractors.

Mr. Speaker, we cannot sit by and watch the Renegotiation Board close its doors. It has to be brought to the attention of the American people that this Board is their sole protection against defense contractors making exorbitant profits at public expense. I am not saying that defense contractors are not trustworthy, but according to a GAO study put out in 1975, no matter how effective procurement procedures may be, excessive profits will still occur.

I hope that within the next 2 weeks the House will take action to continue this Board. If we do not the American people will be losing the only tool they have to defend themselves against excessive profits in the defense industry. The opponents of the Renegotiation Board have a powerful lobbying force so the battle to retain this agency, which costs less to operate in one year than a single helicopter, will not be an easy task. I encourage all of my colleagues to take a close look at the Board and its purpose before concluding it is not needed. If the Renegotiation Board comes to an end we will be denying to the American people the trust placed in us to expend their tax dollars to benefit many and not to enrich a few.

We cannot afford to be felled by the war profiteers.●

HOUSING AND COMMUNITY DEVELOPMENT AMENDMENTS OF 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHLEY) is recognized for 5 minutes.

● Mr. ASHLEY. Mr. Speaker, I am today introducing by request the administration's proposed Housing and Community Development Amendments of 1979. This bill would authorize funds for the assisted housing programs and other necessary HUD authorizations for fiscal year 1980 and would also extend the authorities of the Secretary of Housing and Urban Development to insure under the National Housing Act.

This bill will be the focus of hearings before the Subcommittee on Housing and Community Development of the House Committee on Banking, Finance and Urban Affairs beginning March 26 and concluding March 29. Following is the text of the bill.

H.R. 3097

A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, 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 "Housing and Community Development Amendments of 1979".

TITLE I—COMMUNITY AND NEIGHBORHOOD DEVELOPMENT AND CONSERVATION

REHABILITATION LOANS

SEC. 101. (a) Section 312(d) of the Housing Act of 1964 is amended by striking out "and not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978" and inserting in lieu thereof "not to exceed $245,000,000 for the fiscal year beginning on October 1, 1978, not to exceed $130,000,000 for the fiscal year beginnnig on October 1, 1979, and such sums as may be necessary for the fiscal year beginning on October 1, 1980".

(b) Section 312(h) of such Act is amended by striking out "1979" each place it appears and inserting in lieu thereof "1981".

COMPREHENSIVE PLANNING

SEC. 102. The second sentence of section 701 (e) of the Housing Act of 1954 is amended by striking out "and not to exceed $57,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $57,000,000 for the fiscal year 1979, not to exceed $40,000,000 for the fiscal year 1980, and such sums as may be necessary for the fiscal year 1981".

NEIGHBORHOOD SELF-HELP DEVELOPMENT

SEC. 103. Section 705 of the Housing and Community Development Amendments of 1978 is amended by adding ", and such sums as may be necessary for the fiscal year 1981" immediately after "1980".

LIVABLE CITIES

SEC 104. Section 807 of the Housing and Community Development Amendments of 1978 is amended by striking out "and not to exceed $10,000,000 for fiscal year 1980" and inserting in lieu thereof "not to exceed $10,000,000 for fiscal year 1980, and such sums as may be necessary for fiscal year 1981".

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

SEC. 105. (a) Section 103(c) of the Housing and Community Development Act of 1974 is amended by striking out "a sum not in excess of $400,000,000 for supplemental grant assistance under section 119 for each of the fiscal years 1978, 1979, and 1980" and inserting in lieu thereof "for supplemental grant assistance under section 119 a sum not in excess of $400,000,000 for each of the fiscal years 1978 and 1979, and a sum not in excess of $675,000,000 for the fiscal year 1980".

(b) Section 104(b)(3) of the Housing and Community Development Act of 1974 is amended to read as follows:

"(3) The Secretary may waive all or part of the requirements contained in paragraphs (1), (2), and (3) of subsection (a) if (A) the application does not involve a comprehensive community development program, as determined by the Secretary, and (B) the Secretary determines that, having regard to the nature of the activity to be carried out, such waiver is not inconsistent with the purposes of his title.".

(c) Section 106(m) of such Act is amended by striking out "or fiscal year 1979" and inserting in lieu thereof ", fiscal year 1979 or fiscal year 1980".

TITLE II—HOUSING ASSISTANCE PROGRAMS

LOW-INCOME HOUSING

SEC. 201. (a) The first sentence of section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" immediately after "October 1, 1977,"; and

(2) by inserting immediately after "on October 1, 1978" the following: ", by $1,140,661,275 on October 1, 1979, and by $1,140,661,275 on October 1, 1980,".

(b) Section 9(c) of such Act is amended—

(1) by striking out "and" immediately after "on or after October 1, 1977,"; and

(2) by inserting immediately before the period at the end thereof the following: ", not to exceed $741,500,000 on or after October 1, 1979, and not to exceed $848,000,000 on or after October 1, 1980".

OPERATING ASSISTANCE FOR TROUBLED MULTIFAMILY HOUSING PROJECTS

SEC. 202. (a) Section 201 of the Housing and Community Development Amendments of 1978 is amended—

(1) by inserting immediately before "assisted" in subsection (c)(1)(A) the following: "covered by a mortgage insured under the National Housing Act (or formerly so insured and assigned to the Secretary) and is";

(2) by striking out "except that, in the case of any such project which is not insured under the National Housing Act such assistance may not be provided before October 1, 1979;" in subsection (c)(1)(A);

(3) by striking out ", together with the mortgagee in the case of a project not insured under the National Housing Act," in subsection (d)(3); and

(4) by inserting immediately before the period at the end of the first sentence of subsection (h) the following: ", not to exceed $82,000,000 for the fiscal year 1980, and not to exceed $90,000,000 for the fiscal year 1981".

(b) Section 236(f)(3)(B) of the National Housing Act is amended—

(1) by inserting immediately after "October 1, 1978," in the first sentence the following: "or credited to such fund prior to October 1, 1978 but remaining unobligated on October 31, 1978,"; and

(2) by striking out "September 30, 1979" in the third sentence and inserting in lieu thereof "September 30, 1981".

TITLE III—PROGRAM AMENDMENTS AND EXTENSIONS

EXTENSION OF FEDERAL HOUSING ADMINISTRATION MORTGAGE INSURANCE PROGRAMS

SEC. 301. (a) Section 2(a) of the National Housing Act is amended by striking out "October 1, 1979" in the first sentence and inserting in lieu thereof "October 1, 1981".

(b) Section 217 of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(c) Section 221(f) of such Act is amended by striking out "September 30, 1979" in the fifth sentence and inserting in lieu thereof "September 30, 1981".

(d) Section 235(m) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(e) Section 236(n) of such Act is amended by striking out "September 30, 1979" and inserting in lieu thereof "September 30, 1981".

(f) Section 244(c) of such Act is amended—

(1) by striking out "September 30, 1979" in the first sentence and inserting in lieu thereof "September 30, 1981"; and

(2) by striking out "October 1, 1979" in the second sentence and inserting in lieu thereof "October 1, 1981".

(g) Section 245 of such Act is amended by striking out "September 30, 1979" where it appears and inserting in lieu thereof "September 30, 1981".

(h) Section 809(f) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(i) Section 810(k) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(j) Section 1002(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

(k) Section 1101(a) of such Act is amended by striking out "September 30, 1979" in the second sentence and inserting in lieu thereof "September 30, 1981".

EXTENSION OF FLEXIBLE INTEREST RATE AUTHORITY

SEC. 302. Section 3(a) of the Act entitled "An Act to amend chapter 37 of title 38 of the United States Code with respect to the veterans' home loan program, to amend the National Housing Act with respect to interest rates on insured mortgages, and for other purposes", approved May 7, 1968, as amended, is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1981".

EXTENSION OF EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 303. Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out "October 1, 1979" and inserting in lieu thereof "October 1, 1980".

TEMPORARY MORTGAGE ASSISTANCE PAYMENTS

SEC. 304. (a) Section 230 of the National Housing Act is amended by—

(1) designating "SEC. 230." as "SEC. 230. (a)";

(2) inserting after "by recasting the unpaid balance," in the first sentence of subsection (a) as so designated, the following: "or has previously made monthly payments due under the mortgage pursuant to subsection (b),"; and

(3) adding at the end thereof a new subsection (b) as follows:

"(b)(1) As an alternative to the acquisition of a loan and security therefor under subsection (a), the Secretary may, in the Secretary's discretion, make all or part of the monthly payments due under the mortgage directly to the mortgagee on behalf of the mortgagor in cases involving default caused by circumstances beyond the mortgagor's control which render the mortgagor temporarily unable to correct a mortgage delinquency and to resume full mortgage payments. Payments may be made only in accordance with the provisions of this subsection and shall be subject to any additional requirements the Secretary may prescribe.

"(2) No payments may be provided hereunder unless the Secretary has determined that such payments are necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able—

"(A) to resume full mortgage payments upon termination of assistance under this subsection;

"(B) to commence repayment of the payments made hereunder at a time designated by the Secretary; and

"(C) to pay the mortgage in full by its maturity date or by a later date for completing the mortgage payments previously approved by the Secretary under section 204 (a) of this Act.

"(3) Payments under this subsection may be in an amount determined by the Secretary, in the Secretary's discretion, up to the amount of the principal, interest, taxes, assessments, ground rents, hazard insurance, and mortgage insurance premiums due under the mortgage, and the initial payment may include an amount necessary to make the mortgage current. Payments may not exceed amounts which the Secretary determines to be reasonably necessary to supplement the amounts, if any, which the mortgagor is capable of contributing toward the mortgage payments.

"(4) Payments may be provided for a period of not to exceed eighteen months, inclusive of any period of default for which payments are provided. Such period may be extended, in the Secretary's discretion, for not to exceed eighteen additional months where the Secretary has determined that, because of unforeseen changes in the mortgagor's financial circumstances, such extension will be necessary to avoid foreclosure and that there is a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2)(A), (B), and (C). The Secretary shall establish procedures for periodic review of the mortgagor's financial circumstances for the purpose of determining the necessity for continuation, termination, or adjustment in the amount, of the payments. Payments shall be discontinued at any time when the Secretary determines that, because of changes in the mortgagor's financial circumstances, the payments are no longer necessary to avoid foreclosure or that there is no longer a reasonable prospect that the mortgagor will be able to make the payments and repayments specified under subsection (b)(2)(A), (B), and (C).

"(5) All payments shall be secured by such obligation as the Secretary may require, and such obligation shall include a lien on the mortgaged property. Payments shall be repayable upon terms and conditions prescribed by the Secretary, and such terms and conditions may include requirements for repayment of any amount paid by the Secretary toward a mortgagee's expenses in connection with the payments or repayments hereunder. The Secretary may establish appropriate interest charges on payments made under this subsection which shall be payable notwithstanding any provision of State or local law which limits the rate of interest on loans or advances of credit, except that interest shall not be charged at a rate which exceeds the maximum interest rate applicable with respect to mortgages insured pursuant to section 203(b) of this Act.

"(6) Payments under this subsection may be made whether or not the Secretary has previously taken action to avoid mortgage acquisition or foreclosure, except that payments may be provided with respect to a mortgage previously assisted under this subsection only under limited conditions prescribed by the Secretary.

"(7) All expenditures made pursuant to this subsection shall be made from the insurance fund chargeable for insurance benefits on the mortgage covering the property to which the payments made hereunder relate, and any payments received hereunder shall be credited to such fund. For purposes of this subsection, expenditures may include amounts paid by the Secretary toward a mortgagee's expenses in connection with payments or repayments hereunder.

"(8) No payments shall be made under this subsection after September 30, 1984, except that payments which have been commenced on or before such date may be continued beyond such date as provided under paragraph (4) of this subsection.".

(b) The caption of section 230 of such Act is amended to read as follows:

"TEMPORARY MORTGAGE ASSISTANCE PAYMENTS AND ACQUISITION OF MORTGAGES TO AVOID FORECLOSURE".

INCREASE IN SECTION 235 MORTGAGE LIMITS IN REVITALIZATION AREAS

SEC. 305. Section 235 of the National Housing Act is amended by adding at the end thereof the following new subsection:

"(o) The Secretary may insure a mortgage under this section involving a principal obligation which exceeds, by not more than 25 per centum, the maximum limits specified under subsections (b)(2) or (i)(3) of this section if the mortgage relates to a dwelling in an area designated by the Secretary as an area undergoing significant revitalization activity and the Secretary determines that such action is necessary to enable eligible families already residing in such area to remain in the area as homeowners.".

RESEARCH AUTHORIZATIONS

SEC. 306. Title V of the Housing and Urban Development Act of 1970 is amended by striking out in the second sentence of section 501 "and not to exceed $62,000,000 for the fiscal year 1979" and inserting in lieu thereof "not to exceed $62,000,000 for the fiscal year 1979, not to exceed $53,000,000 for the fiscal year 1980, and such sums as may be necessary for the fiscal year 1981".

FEDERAL HOUSING ADMINISTRATION GENERAL INSURANCE FUND

SEC. 307. Section 519(f) of the National Housing Act is amended to read as follows:

"(f) There are authorized to be appropriated such sums as may be necessary from time to time to cover losses sustained by the General Insurance Fund.".

HOUSING FOR THE ELDERLY OR HANDICAPPED

SEC. 308. Section 202(a)(4)(B)(i) of the Housing Act of 1959 is amended by striking out "and to $3,300,000,000 on October 1, 1978" and inserting in lieu thereof "to $3,300,000,000 on October 1, 1978, and to $3,800,000,000 on October 1, 1979,".

LEGISLATIVE REVIEW PROCEDURES

SEC. 309. Section 7(o)(3) of the Department of Housing and Urban Development Act, as added by section 324 of the Housing and Community Development Amendments of 1978, is amended by striking out the second sentence.●

NATIONAL MUSEUM DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. FORD) is recognized for 5 minutes.

● Mr. FORD of Michigan. Mr. Speaker, in 1977 the International Council of Museums designated May 18 as an annual International Museum Day. Museum Day provides an opportunity for public recognition that museums are important for cultural enrichment and the development of mutual understanding, cooperation, and peace among peoples.

Museum Day has been designated by the international museum community as a time when museums around the world may celebrate, in concert, their valuable contributions to the preservation of man's natural and cultural heritage. Museums collect, preserve, and study specimens and objects of material culture. The international council expressed the hope that this annual observance "will help increase the role of the museum in using the universal language of

the original object in order to develop international understanding."

Observance of National Museum Day on May 18 is a valuable mechanism for museums of all disciplines and sizes to increase the public awareness of the role, resources and needs of museums. Museums serve as research centers for scholars as well as centers of education for the public. Museums share the common responsibility of discovering, preserving and interpreting man's heritage while at the same time pointing to this future. They are essential public institutions.

In order that this Nation may participate in the international celebration of Museum Day, I hope that the Congress of the United States will adopt a resolution declaring May 18, National Museum Day. Many of the Nation's museums are already planning community activities, and Governors in several States have issued museum day proclamations.

I am today introducing, with the cosponsorship of Mr. BRADEMAS and Mr. THOMPSON, a resolution to designate May 18 as National Museum Day. We will shortly be sending a letter to all our colleagues in the House requesting that they cosponsor this resolution. We hope that they will respond affirmatively.

Mr. Speaker, I include at the conclusion of these remarks the text of this resolution:

H.J. RES. 262

A joint resolution to declare May 18, 1979 to be "National Museum Day"

Whereas museums hold in trust for future generations a substantial part of humankind's material patrimony produced and preserved by the skill of our ancestors and our contemporaries—

Whereas museums encourage curiosity in the very young, offer enlightenment and education to the student, and provide a continuing source of enjoyment and cultural enrichment for all;

Whereas museums are centers of research for scholars and contribute significantly to our knowledge of history, science, and the arts;

Whereas museums enhance the quality of life in our communities and provide a sense of continuity and perspective which reinforces the cultural opportunities offered by schools, colleges, universities, libraries, and other institutions of learning; and

Whereas the museums of our Nation deserve recognition for their contribution to the preservation of the natural and cultural heritage of the United States and to the furtherance of understanding concerning the peoples of the United States and the peoples of other countries in the past, present, and future: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the president is authorized and requested to issue a proclamation designating May 18, 1979 as "National Museum Day" and calling upon the people of the United States, state and local government agencies, and interested organizations to observe that day with appropriate ceremonies, activities, and programs.●

THE SCARS OF VIETNAM HAVE NOT HEALED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I want to call to the attention of our colleagues a very informative and interesting article which appeared in the Washington Star on March 8, 1979.

The article treats with laudable compassion the ongoing psychological suffering which still plagues many of our Vietnam war veterans. As a member of the Vietnam veterans in Congress, a loose-knit and bipartisan group, I have become increasingly convinced that our Government has failed miserably in meeting the legitimate readjustment needs of the soldiers who fought in our most unwise and unpopular war.

Many combat veterans of the Vietnam war, most of whom are now in their early thirties with families to support, still retain the deep-seeded effects of the war. Higher suicide rates, greater dependence on alcohol and drugs, even a tendency to commit violent crime, all are indices of the current state of psychological torment which burdens these brave veterans. Our failure in Congress to adequately address the needs of these veterans is to be deplored, and the failure of the country to treat Vietnam veterans with dignity and respect represents a very sad chapter in the American history. It is as if we have all subconsciously conspired to ignore the war, because of the trauma associated with it, without realizing that, in the process, we are ignoring those who did their duty and served the Nation with pride.

The article, entitled "Mental Scars of Vietnam Still Mark Many Veterans" follows:

MENTAL SCARS OF VIETNAM STILL MARK MANY VETERANS

(By Christopher Hanson)

Up to half a million Vietnam veterans were so psychologically disfigured by the war that they badly need therapy even today, according to some experts on war neurosis. They cite Stephen Gregory as a case in point.

"I'm still in Vietnam and I want to come out," said Gregory from the witness stand of a Rockville courtroom last week. The highly decorated combat veteran seized eight hostages at gunpoint in a Silver Spring bank two years ago. He was pleading for probation from his six-year prison term so that he could undergo intensive psychotherapy.

In what may be a precedent-setting decision, Judge John Mitchell granted the request and sent Gregory to Perry Point Veteran's Hospital for special therapy.

Gregory—who released his hostages unharmed—is not the only veteran recently to explode in frightening proof that Indochina battles can still rage in the mind. And his is not the only criminal case where the psychological impact of Vietnam has been taken into account.

In Massachusetts last May John R. Coughlin, 33, an ex-Marine with a severe drug and alcohol problem, stood in a veterans' cemetery plot blasting away with a sawed-off shotgun at a nearby police station. He reportedly shouted, "The gooks are here, kill them, kill them!"

Police managed to subdue him unharmed. And the prosecutor, accepting a psychiatrist's diagnosis of Coughlin as suffering from "traumatic war neurosis," agreed to drop charges if Coughlin continued to respond to treatment.

In Cleveland recently, a former Navy medical corpsman, frustrated by his employer's failure to provide GI benefits, armed himself with a pistol, seized hostages in the firm's corporate office, and only released them after securing a promise from authorities that he be allowed to go on TV and air his grievances. The jury accepted in part "a diminished capacity" defense argument that traumas inflicted by Vietnam combat goaded him to commit the crime.

Gregory and the two other veterans suffer from "delayed stress neurosis," an illness virtually confined to Vietnam veterans, according to Dr. John Wilson, an expert on combat-related mental illness who testified Friday.

And they are only the most dramatic examples of the condition, said the psychologist, who has interviewed hundreds of cases. He predicts that by 1985 up over 500,000 Vietnam veterans will be suffering from the syndrome, which has just become a recognized diagnosis of the American Psychiatric Institute.

The symptoms: severe guilt over war actions and over the fact that he survived when others died; extreme depression; ultra-vivid flashbacks to combat; self destructiveness; hostile feelings; and a persistent mistrust of authority.

These general symptoms are not unique to Vietnam, said Wilson. But with disturbed World War II veterans, the symptoms tended to fade as their experiences receded in time. With Vietnam veterans, on the other hand, they are usually more intense and can erupt up to 10 years after the soldier has left the battlefield.

Why are the symptoms delayed and harsher among Vietnam veterans?

The war was extremely unpopular at home, explained Wilson. Civilians were unwilling to talk about the veterans' war experiences, and treated the returnees as pariahs instead of heroes.

So the guilt, the horrors remained inside returning veterans, who became deeply alienated from the rest of society. Gregory, for instance, complained that even his family was uneasy when he talked about the war, that his sister said of his medals, "Did you get those for killing people?"

When he was in uniform among civilians after his return, said Gregory, "You'd see people kind of pointing at you, snickering, stuff like that . . . I just didn't feel right . . . I think I was embarrassed in some way because of what I represented at the time."

Vietnam era soldiers were young—on the average six years younger than World War II GIs, according to Wilson—and endured traumas and were involved in atrocities "right in that point in the life cycle when they form their identities.

"There was no clear progress in the war. This put the guy in a sort of existential quagmire. He asked 'Why is the war going on, what is the point of the killing?' And then, 'Why am I doing it, why am I here, who in the hell am I?' He lost his old beliefs and his sense of self-worth, and upon return to civilian life had little opportunity to find them again."

Among the results of these perplexing doubts have been high rates of suicide and divorce, according to the Washington-based Council of Vietnam Veterans. The suicide rate for Vietnam veterans under 34 is 23 percent higher than their peers, said spokesman Steve Champlin, citing a White House study. Thirty-eight percent of veterans who were married before they shipped out were divorced within six months after their return, he added.

The Veterans Administration has recognized the unique psychological problems of Vietnam veterans by advocating passage of the $12 million Readjustment Counseling Bill, which would liberalize the law, making veterans with less than acute psychoses eligible for therapy. The bill is now stalled in a Senate committee due in part to a jurisdictional dispute.

The 19-member Vietnam Veterans in Congress has proposed an alternative bill that

would provide nearly four times as much funding, and would allow veterans to seek help in community health facilities outside the VA, which many of them are said to distrust.

Over 10 years ago, Max Cleland, the disabled Vietnam veteran who now heads the VA, said to a Congressional committee. "The inevitable psychological depression after injury, coupled with doubts over whether it was worth it, comes months later, like a series of secondary explosions, after the excitement of the battlefield is far behind, and the (support) of your comrades-in-arms, a thing of the past, when the individual is left alone in his self doubt."

Today, not months but years after the battles, one wonders how many Vietnam veterans with psychological injuries are saying—with Steven Gregory—"I'm still in Vietnam and I want to come out?" ●

SHATTER THE SILENCE, VIGIL 1979

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. HOWARD) is recognized for 15 minutes.

Mr. HOWARD. Mr. Speaker, in November 1977, my wife, Marlene, and I had the good fortune to be in the Middle East during the historic visit of President Sadat to Israel. I had been appointed as part of a 15-member bipartisan congressional delegation headed by House Majority Leader JIM WRIGHT. Needless to say, we were caught up in the jubilant mood of the Israeli people at that time. However, our celebration was cut short when the serious problem of Soviet Jewry wishing to emigrate to Israel was brought to my wife's attention at the Absorption Center in Jerusalem.

A woman who had been at the Wailing Wall on a hunger strike heard that a delegation of congressional wives was to tour the Absorption Center. She came to tell the sad story of her efforts to get permission for her son to leave the Soviet Union. It was a touching moment to listen to a mother so distraught over the future of her son who is a virtual hostage in the Soviet Union. We promised her that we would do all we could to help.

Since that time, I, joining with many of my committed colleagues, have spoken out repeatedly against the violation of the basic human rights of Jewish people in the Soviet Union. Harassment, in the form of the denial of employment, education and the pursuit of political or religious freedom proves to be a hardship for these oppressed people.

Therefore, I announce "Shatter the Silence, Vigil 1979." This project is a continuation of previous efforts headed by Representatives BRODHEAD, DRINAN, EILBERG and HOLTZMAN. In the past, these projects have been called "Vigil for Freedom," "Helsinki's Unfulfilled Promise" and "Orphans of Exodus." As these titles suggest, our vigil, in conjunction with the Union of Councils for Soviet Jews, aims to improve emigration for Soviet Jews. We strongly urge greater efficiency within the Soviet emigration system, a system whose strict requirements, long waits and arbitrary official decisions has proved to be a major obstacle to asylum of the Jews.

Our statistics show that the number of emigrants allowed to leave the Soviet Union in 1978 was 29,200, as compared to 1977 when 17,337 people were granted permission to emigrate. This increase is impressive and may well be attributable to the U.S. support of the Soviet Jewish emigration movement, however, these figures must not obscure the fact that the Soviet Union continues to evade their commitment to the Helsinki Final Act of 1975. The Israel Government has stated that it sent 140,000 vysovs (invitations necessary to begin the application process for emigration) to Soviet Jews in 1978.

Taking into consideration "lost" vysovs into the hands of the KGB, possible duplicates, and Jews too fearful to use the vysovs, one Jewish organization located in New York estimates conservatively that about 50,000 vysovs were used by Soviet Jews. From that figure one can calculate conservatively that about 100,000 Jews applied for emigration, assuming that each vysov covers an average of two to three people. It is evident that there is a great discrepancy between the number of Jews we estimate to have applied and the Soviet assertion that only 1.6 percent of the total number of Jews applying have been refused permission to leave.

Clearly, there is a great need to see the exit requirements for Soviet Jews and to end the official and unofficial harassment of people who strive to gain their individual freedom. Our concern for these people, the "refuseniks," will be expressed over the next several months, when Members rise to address the House concerning cases of Soviet Jews that they have chosen to assist.

Today I would like to bring to my colleagues' attention the plight of Moisey Tongonoky. Born in 1952, Moisey first applied to emigrate to Israel with his parents and sister in 1973. All members of the family were allowed to leave, except Moisey. Since Moisey has no professional skill other than that of a mechanic, the only possible reason for refusal appears to be his past military service. He was drafted in 1971 for the usual 2-year term of service, but during his tour of duty he contracted jaundice and was given a medical discharge from the army having served only 10 months as an ordinary recruit.

In October of 1977, Moisey once again approached the local emigration authorities. An official informed him that he lacked the pertinent documents for his application. Frustrated, Moisey asked why he was not informed of the error. In response to his question he was sentenced to 15 days confinement for hooliganism.

My wife and I have written to President Carter, Vice President MONDALE and the State Department about Moisey's plight. We have also contacted President Brezhnev and Ambassador Dobrynin asking for their help to restore Moisey's basic human rights that are guaranteed under the Soviet Constitution and the Helsinki accord. We have corresponded with Moisey in the Soviet Union and with his family in Jerusalem. It is our hope that the appeals we have made and will continue to make in Moisey Tongonoky's behalf will assist in reuniting the Tongonoky family and other families in similar circumstances.

□ 1815

PANAMA CANAL PROBLEM: MAJOR MODERNIZATION AN IMPERATIVE NECESSITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. FLOOD) is recognized for 30 minutes.

● Mr. FLOOD. Mr. Speaker, the question of the major increase of capacity and operational improvement of the Panama Canal has a long and involved history. The first positive step in this direction was the authorization by the Congress in 1939 on the eve of World War II of what was designated as the third locks project.

The original plan for that undertaking provided for the construction of an additional set of larger locks (140′ x 1,200′) for larger vessels near each of the existing locks (110′ x 1,000′) and for connecting the proposed new locks with existing channels by means of bypass channels.

Construction started in 1940 on a rush basis. After the attack on Pearl Harbor more urgent war needs for manpower, materials, and vessels caused the suspension of construction after the expenditure of $76,357,405. The principal parts completed were two huge lock site excavations near Gatun and Miraflores, a bed for relocating the Panama Railroad to the east of the proposed new Gatun Locks, and a rail-vehicular bridge across the Miraflores Locks. No excavation was accomplished at Pedro Miguel. All of this work was accomplished under the "maintenance" factor of existing treaty provisions (CONGRESSIONAL RECORD, July 24, 1929, p. 9834).

Mr. Speaker, for additional background information on this and other aspects of Panama Canal history, special attention is invited to an extensive bibliography on "Isthmian Canal Policy of the United States" in the CONGRESSIONAL RECORD of March 23, 1955, page 3610, prepared by Representative Clark W. Thompson, former chairman of a special subcommittee of the House Committee on Merchant Marine and Fisheries to investigate the financial operations of the Panama Canal and author of the Thompson Act of 1950, which placed the enterprise on a self-sustaining basis. That bibliography lists many authoritative sources and would be most helpful to those seeking reliable references.

A post World War II project for improving navigation in the Panama Canal was the enlargement of Gaillard Cut from 300 feet minimum width to 500 feet. Started in 1959 and completed in 1970 at a cost of some $95,000,000, this important work brought the total expenditures toward major modernization of the existing canal to more than $171,000,000.

The suspension of work on the third locks project in 1942 enabled its restudy in the Panama Canal organization in the light of operating experience in both peace and war. Those studies resulted in the evolution of the terminal lake-third locks plan for the future canal (CONGRESSIONAL RECORD, August 25, 1978, pp. 27878–27882.)

This plan provides for the following:

First. Completion of one set of larger locks near Gatun;

Second. Removal of the bottleneck Pedro Miguel Locks from their position at the south end of Gaillard Cut;

Third. Consolidation of all Pacific Locks in continuous steps near Aguadulce, which is just south of Miraflores to match the capacity of the Gatun Locks;

Fourth. Creation of a summit level terminal lake in the Pacific sector of the canal; and

Fifth. Raising the maximum summit lake level 5 feet from 87 to its optimum height of 92 feet; thus doubling its operating range.

The lock arrangement in the Pacific end of the canal would then correspond with that of the Atlantic end, thereby providing uninterrupted two-way navigation between the Atlantic and Pacific locks. In addition, it can be accomplished with every assurance of success.

Recognized by experienced ship canal engineers, navigators, including Panama Canal pilots, economists, and other qualified experts as the best solution of the canal problem at least cost, it won the approval of President Franklin D. Roosevelt as a postwar project but is still in a suspended status.

In a 1975 memorial to the Congress on "Panama Canal Sovereignty and Modernization" by the Committee for Continued U.S. Control of the Panama Canal, 3704 University Drive, Fairfax, Va. This distinguished body stated that competent, experienced engineers have officially reported that all engineering considerations which are associated with the plan are favorable to it. In addition, this committee stressed that such solution would:

First, enable the maximum utilization of all work so far accomplished on the Panama Canal, including that on the suspended third locks project;

Second, avoid the danger of disastrous slides;

Third, provide the best operational canal practicable of achievement with the certainty of success;

Fourth, preserve and increase the economy of Panama; and

Fifth, can be constructed at comparatively low cost.

Mr. Speaker, as I have stated many times, the major modernization of the existing Panama Canal under the terminal lake-third locks solution can be constructed under existing treaty provisions. It does not require a new treaty. These are paramount considerations and should be controlling.

As to the expenditure of public funds on an interoceanic canal, the people of the United States and the Congress have always opposed the huge expenditures involved in such undertaking except in territory under the sovereign control in perpetuity of the United States. Any other policy would place our country in the untenable position of being saddled with grave responsibility without adequate authority in a land of endemic revolution and endless political turmoil.

At this point, Mr. Speaker, I would stress that the 1977 giveaway treaties, although approved by the Senate and ratified by the President, were not authorized by the Congress and have not been concurred in by the House of Representatives. Eminent constitutional lawyers have emphasized that any treaty that cedes U.S. territory and other property without the concurrence of the House is void. (Senate Committee on the Judiciary, Subcommittee on Separation of Powers, Hearings, part 3, Nov. 3, 1977, pp. 332–38.)

To clarify many misleading statements that have been made concerning major canal improvement, I would emphasize that in the proposed modernization there are two problems: First, increase of capacity; and second, its long needed major operational improvement. Though separate, the two are closely related.

There are two aspects in the capacity problem: First, increasing capacity in the number of transits; and second, increasing canal capacity to handle larger vessels.

As to increasing the number of transits, certain relatively minor changes of nonbasic character in the existing canal have enabled the transit of additional numbers of vessels but they do not increase canal capacity for handling larger vessels in the existing locks (110′ x 1,000′) or solve serious problems of operations.

The principal urgently needed operational improvements demonstrated by the transit of many thousands of vessels of various types since 1914 are the removal of the Pedro Miguel locks from their position squarely across the south end of Gaillard Cut, the creation of a summit level lake in the Pacific end of the canal to serve as expansion chamber for traffic, and correlated channel improvements in Gatun Lake, especially at channel bends—views repeatedly voiced by experienced Panama Canal pilots.

Mr. Speaker, the future need for the transit of larger tankers with fuel oil from Alaska to the industrialized east coast stresses the importance of major modernization as an imperative necessity. The current situation in Iran, with the possibility of prolonged loss of oil from that source, emphasizes that the time for further procrastination is over.

In order to provide the long needed increased transit facilities, my most distinguished and well-informed colleagues, Representatives JOHN M. MURPHY of New York, ROBERT K. DORNAN of California, PHIL CRANE of Illinois, and GEORGE HANSEN of Idaho, and I have introduced proposed legislation to resume construction on the suspended canal modernization project as modified and improved within the frame of continued undiluted U.S. sovereign control over the Canal Zone.

The indicated measure follows as part of my remarks:

H.R. 1930

A bill to provide for the increase of capacity and improvement of operations of the Panama Canal within the framework of continued sovereign control of the canal and the Canal Zone by the United States, 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 "Panama Canal Modernization Act".

SEC. 2. The Congress hereby finds and declares that—

(1) the United States of America is a high contracting party to the Hay-Pauncefote Treaty of 1901 in force with Great Britain;

(2) the Hay-Pauncefote Treaty serves as the basis for daily regulation and management of the Panama Canal, including the establishment of tolls for use of the canal;

(3) the Hay-Pauncefote Treaty imposes upon the United States obligations to uphold "the general principle of neutralization" of the Panama Canal; to maintain it "free and open to the vessels of commerce and of war of all nations observing these rules, on terms of entire equality, so that there shall be no discrimination against any such nation, or its citizens or subjects, in respect of the conditions or charges of traffic, or otherwise"; to insure that "the canal shall never be blockaded, nor shall any right of war be exercised nor any act of hostility be committed within it"; and "to protect it against lawlessness and disorder";

(4) under the direction of the President, the Department of State, despite the obligations of the United States under the Hay-Pauncefote Treaty and without authorization by the Congress, has negotiated two treaties with the Republic of Panama ceding the Canal Zone and Panama Canal to that country;

(5) such cession would render the United States incapable of fulfilling its obligations under the Hay-Pauncefote Treaty;

(6) although such treaties have been approved by the Senate and ratified by the President, the Congress has not approved legislation necessary to implement them and to cede the Canal Zone under article IV, section 3, clause 2 of the Constitution;

(7) the United States is a party to a treaty with the Republic of Colombia signed April 6, 1914, by which that country recognizes the title to the Panama Canal and Panama Railroad as "vested entirely and absolutely in the United States of America, without any incumbrances or indemnities whatever", and by which the United States guarantees that "the products of the soil industry of Colombia passing through the canal, as well as the Colombian mails, shall be exempt from any charge or duty other than those to which the products and mails of the United States may be subject", an obligation we could not fulfill upon the surrender of the Canal Zone and waterway to the Republic of Panama or to any international organization;

(8) the undertaking of the United States in constructing, maintaining, operating, sanitating, and protecting the Panama Canal has proven to be of enormous benefit to the people of the United States, the Republic of Panama, and the entire world;

(9) the interests of defense and interoceanic commerce, and the increasing dimensions of ships, require an increase of canal capacity and operational improvement of existing facilities and installations;

(10) the greater marine operational and logistical capability resulting from a modernization of the canal based on decades of actual experience in transiting over half a million vessels would permit increased canal revenues, improve efficiency and economy of

operations, simplify canal management and defense, increase capacity for handling larger ships, lessen transit time, increase safety through diminished navigational hazards, reduce fatigue factors for pilot personnel, minimize dispatching problems, and provide a summit level lake anchorage and traffic reservoir at the Pacific end comparable to the Gatun Lock-Lake arrangement at the Atlantic end, allowing unrestricted operation of all locks, elimination of traffic bottlenecks, mitigation of the effect of fog on canal operations, and lessening of lockage water surges in Gaillard Cut;

(11) in addition to stimulating United States trade, industry, and employment, canal modernization would bring major benefits to intercoastal and international commerce and to hemispheric states, including reduced cost per cargo-ton to United States and foreign producers, suppliers, and consumers of the world's goods, as well as to canal users; generate greater economic well-being for the American nations through improved trade and communication; strengthen hemispheric security through the canal's increased capacity for marine operations, and increase prosperity and economic opportunity for the people of the Republic of Panama by virtue of the enormous outlays for new construction involved in this Terminal Lake—Third Locks Project in the Canal Zone;

(12) canal modernization by the United States, initially called the Third Locks Project, was authorized by Congress in 1939 at a cost not to exceed $277,000,000, was started in 1940, but was suspended in 1942 because of World War II priorities;

(13) $76,357,405 was expended on that project before suspension, and later an additional $95,000,000 was expended on the enlargement of the Gaillard Cut, making a total of $171,000,000 already expended toward the major modernization of the existing canal;

(14) no new treaty or agreement with the Republic of Panama was necessary for the United States to initiate such modernization in 1939 inasmuch as the United States, in accordance with the Spooner Act of 1902, and the treaty of 1903 with the Republic of Panama, paid that republic $10,000,000 for control of the Canal Zone; the Republic of Panama by the treaty of 1903 granted to the United States in perpetuity full sovereign rights, power, and authority over the Canal Zone, "to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power, or authority" (a grant recognized and not changed by subsequent treaties of 1936 and 1955 between the two nations); Panama by said treaty recognized as absolute the title of the United States to all lands and properties and rights purchased from the several companies holding railroad or canal concessions on the Isthmus of Panama; and under said treaty the United States took title to all remaining privately owned land property in the zone, purchasing such tracts from individual owners;

(15) completion under this Act of such modernization as modified and improved by additional experience with canal operations and current technology requires no new treaty arrangements with the Republic of Panama; and

(16) it would be both unwise and a shedding of its responsibility to the citizen-taxpayers of the United States for the Congress to authorize any funds for modernization of the Panama Canal should there be any relinquishment or surrender of the sovereign rights, power, and authority currently exercised exclusively by the United States over the Canal Zone and the waterway.

SEC. 3. (a) Except as provided in section 15, the Governor of the Canal Zone, under the supervision of the Secretary of the Army, is authorized and directed to prosecute the work necessary to increase the capacity and improve the operations of the Panama Canal through the adaptation of the third locks project set forth in the report of the Governor of the Panama Canal, dated February 24, 1939 (House Document Numbered 210, Seventy-sixth Congress), and authorized to be undertaken by the Act of August 11, 1939 (53 Stat. 1409; Public Law 391, Seventy-sixth Congress), with usable lock dimensions of one hundred and forty feet by one thousand two hundred feet by not less than forty-five feet, except as recommended otherwise by the Board created under section 4 of this Act, and including the following: elimination of the Pedro Miguel locks, and consolidation of all Pacific locks near Agua Dulce in new lock structures to correspond with the locks capacity at Gatun, raise the summit water level to its optimum height of approximately ninety-two feet, and provide a summit-level lake anchorage at the Pacific end of the canal, together with such appurtenant structures, works, and facilities, and enlargements or improvements of existing channels, structures, works, and facilities, as may be deemed necessary, at an estimated total cost not to exceed $1,500,000,000, which is hereby authorized to be appropriated for this purpose, except that the initial appropriation for fiscal year 1980 shall not exceed $75,000,000.

(b) The provisions of the second sentence and the second paragraph of the Act of August 11, 1939 (53 Stat. 1409; Public Law 391, Seventy-sixth Congress), shall apply with respect to the work authorized by subsection (a) of this section. As used in such Act, the terms "Governor of the Panama Canal", "Secretary of War", and "Panama Railroad Company" shall be held and considered to refer to the "Governor of the Canal Zone", "Secretary of the Army", and "Panama Canal Company", respectively, for the purposes of this Act.

(c) In carrying out the purposes of this Act, the Governor of the Canal Zone may act and exercise his authority as President of the Panama Canal Company and may utilize the services and facilities of that company.

SEC. 4. (a) There is hereby established a board, to be known as the "Panama Canal Advisory and Inspection Board" (hereinafter in this Act referred to as the "Board").

(b) The Board shall be composed of five members who are citizens of the United States of America. Members of the Board shall be appointed by the President, by and with the advice and consent of the Senate, as follows:

(1) One member from private life, experienced and skilled in private business (including engineering).

(2) Two members from private life, experienced and skilled in the science of engineering.

(3) One member who is a commissioned officer of the Corps of Engineers, United States Army (retired).

(4) One member who is a commissioned officer of the line, United States Navy (retired).

(c) The President shall designate as Chairman of the Board one of the members experienced and skilled in the science of engineering.

(d) The President shall fill each vacancy on the Board in the same manner as the original appointment.

(e) The Board shall cease to exist on that date designated by the President as the date on which its work under this Act is completed.

(f) The Chairman of the Board shall be paid basic pay at the rate provided for level II of the Executive Schedule in section 5313 of title 5, United States Code. The other members of the Board appointed from private life shall be paid basic pay at a per annum rate which is $500 less than the rate of basic pay of the Chairman. The members of the Board who are retired officers of the United States Army and the United States Navy each shall be paid at a rate of basic pay which, when added to his pay as a retired officer, will establish his total rate of pay from the United States at a per annum rate which is $500 less than the rate of basic pay of the Chairman.

(g) The Board shall appoint, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, a Secretary and such other personnel as may be necessary to carry out its functions and activities and shall fix their rates of basic pay in accordance with chapter 51 and subchapter III of chapter 53 of such title, relating to classification and General Schedule pay rates. The Secretary and other personnel appointed by the Board shall serve at the pleasure of the Board.

SEC. 5. (a) The Board is authorized and directed to study and review all plans and designs for the Third Locks project referred to in section 3(a) of this Act, to make on-the-site studies and inspections of the Third Locks project, and to obtain current information on all phases of planning and construction with respect to such project. The Governor of the Canal Zone shall furnish and make available to the Board at all times current information with respect to such plans, designs, and construction. No construction work shall be commenced at any stage of the Third Locks project unless the plans and designs for such work, and all changes and modifications of such plans and designs, have been submitted by the Governor of the Canal Zone to, and have had the prior approval of, the Board. The Board shall report promptly to the Governor of the Canal Zone the results of its studies and reviews of all plans and designs, including changes and modifications thereof, which have been submitted to the Board by the Governor of the Canal Zone, together with its approval or disapproval thereof, or its recommendations for changes or modifications thereof, and its reasons thereof.

(b) The Board shall submit to the President and to the Congress an annual report covering its activities and functions under this Act and the progress of the work on the Third Locks project and may submit, in its discretion, interim reports to the President and to the Congress with respect to these matters.

SEC. 6. For the purpose of conducting all studies, reviews, inquiries, and investigations deemed necessary by the Board in carrying out its functions and activities under this Act, the Board is authorized to utilize any official reports, documents, data, and papers in the possession of the United States Government and its officials; and the Board is given power to designate and authorize any member, or other personnel, of the Board, to administer oaths and affirmations, subpena witnesses, take evidence, procure information and data, and require the production of any books, papers, or other documents and records which the Board may deem relevant or material to the performance of the functions and activities of the Board. Such attendance of witnesses, and the production of documentary evidence, may be required from any place in the United States, or any territory, or any other area under the control or jurisdiction of the United States, including the Canal Zone.

SEC. 7. In carrying out its functions and activities under this Act, the Board is authorized to obtain the services of experts and consultants or organizations thereof in accordance with section 3109 of title 5, United States Code, at rates not in excess of $200 per diem.

SEC. 8. Upon request of the Board, the head of any department, agency, or establishment in the executive branch of the Federal Government is authorized to detail, on a reimbursable or nonreimbursable basis, for such period or periods as may be agreed upon by the Board and the head of the depart-

ment, agency, or establishment concerned, any of the personnel of such department, agency, or establishment to assist the Board in carrying out its functions and activities under this Act.

SEC. 9. The Board may use the United States mails in the same manner and upon the same conditions as other departments and agencies of the United States.

SEC. 10. The Administrator of General Services or the President of the Panama Canal Company, or both, shall provide, on a reimbursable basis, such administrative support services for the Board as the Board may request.

SEC. 11. The Board may make expenditures for travel and subsistence expenses of members and personnel of the Board in accordance with chapter 57 of title 5, United States Code, for rent of quarters at the seat of government and in the Canal Zone, and for such printing and binding as the Board deems necessary to carry out effectively its functions and activities under this Act.

SEC. 12. All expenses of the Board shall be allowed and paid upon the presentation of itemized vouchers therefor approved by the Chairman of the Board or by such other member or employee of the Board as the Chairman may designate.

SEC. 13. There are hereby authorized to be appropriated to the Board each fiscal year such sums as may be necessary to carry out its functions and activities under this Act.

SEC. 14. Any provision of the Act of August 11, 1939 (54 Stat. 1409; Public Law 391, Seventy-sixth Congress), or of any other statute, inconsistent with any provision of this Act is superseded, for the purposes of this Act, to the extent of such inconsistency.

SEC. 15. (a) This Act shall not take effect until the date the Speaker of the House of Representatives and the President pro tempore of the Senate receive written notice from the President that thenceforth during his term or terms of office, no further actions will be taken for the surrender by the United States of the Canal Zone and the Panama Canal, in whole or in part, to the Republic of Panama, or to any international organization.

(b) The provisions of this Act shall remain in effect only so long as all the sovereign rights, power, and authority granted in perpetuity to the United States by the Republic of Panama in articles II and III of the convention between the United States and the Republic of Panama signed on November 18, 1903, and reaffirmed in the General Treaty of Friendship and Cooperation signed March 2, 1936, and the Treaty of Mutual Understanding and Cooperation signed January 25, 1955, remain unaltered.

SEC. 16. The assets created by the expenditure of the funds authorized by this Act shall be considered by the Panama Canal Company as depreciable or nondepreciable in accordance with the provisions of subsection (b) of section 412 of title 2 Canal Zone Code (76A Stat. 27) as amended. The Company shall in its calculations of toll rates include as annual expense such amounts as will over the period of seventy-five years allow for a payback to the United States Treasury of 100 per centum of the funds appropriated in consequence of the provisions of this Act, except that in recognition of the defense value of said assets, and in conformity with the purposes of subsection (e) of section 412 of title 2 Canal Zone Code (76A Stat. 27), interest during construction shall not be included for purposes of repayment.●

● Mr. MURPHY of New York. Mr. Speaker, my distinguished colleague from Pennsylvania (Mr. FLOOD) has placed before this body a legislative proposal which seeks to develop the suspended third locks projects in the Panama Canal. I am among those who have cosponsored this legislation, and I urge my colleagues to support the proposal to resume construction on this modernization project as modified and improved within the framework of continued undiluted U.S. sovereign control over the Canal Zone, as stated in the bill.

Mr. FLOOD has ably pointed out to you the extensive history of the project, and the considerable expenditures already spent before the World War II suspension. The additional post-war improvements, completed in 1970, still leave a great deal to be done to provide uninterrupted two-way navigation between the Atlantic and Pacific locks, and which can be accomplished under existing treaty provisions.

As you are aware, hearings held by my Merchant Marine and Fisheries Committee have raised numerous questions about the validity of the treaties approved last year by the Senate. We are attempting to resolve most of those serious questions in our hearings, but the most important is whether the transfer of U.S. property without the concurrence of the House may occur. Certain objections of the Panamanian representatives who appeared before the committee, regarding their understanding of what the treaties actually provide for, raised further serious doubts as to the clarity and intent of those documents.

Cargo transit of the Panama Canal is a most urgent issue, whether or not the treaties are found to be valid, and we cannot ignore the existing difficulties in the total capacity of the canal and the need for improvements to accommodate the larger fuel tankers from Alaska to the east coast markets.

As my colleague Mr. FLOOD has pointed out, this legislation calls for such improvements within the frame of continued U.S. control over the Canal Zone. With that in mind, we can delay no longer in providing the impetus to resume construction of this urgently needed increase in transit facilities.●

● Mr. PHILIP M. CRANE. Mr. Speaker, my colleague from Pennsylvania (Mr. FLOOD) has introduced important legislation concerning the Panama Canal. This legislation seeks to develop the suspended third locks project, within the framework of continued, undiluted U.S. sovereign control over the Canal Zone.

I have cosponsored this piece of legislation and urge my colleagues to follow suit and support this proposal. Completion of this project is essential if increased and uninterrupted seaborne commerce—especially for the very large crude carriers—supertankers—is to transit the Isthmus of Panama. This legislation calls for the modifications and modernization necessary for that goal to be realized. Achievement of increased cargo capacity is essential for the Panama Canal to remain a viable and valuable asset to the United States and free world commerce.

Another aspect worthy of note is the strategic military value of the Panama Canal. Given the fact that in order to provide reinforcement and resupply of NATO forces in Europe, the U.S. Navy must depend on the use of the canal for the transit of sea-lift ships from the Pacific Ocean to ports in the Gulf of Mexico and on the Atlantic Ocean.

Disposal of this critical piece of territory and the property therein without the consent of the Congress as a whole would be contrary to the provisions of the Constitution. Further, the action would not reflect the majority interests of the American people. In summary then, this bill would be of substantial value to the United States and I wholeheartedly endorse the project.●

● Mr. DORAN. Mr. Speaker, I wish to join with my colleagues in praise of the efforts of Congressman DANIEL FLOOD.

In supporting the implementation of the Panama Canal treaties we are being asked to vote away a critically strategic maritime chokepoint. We are entering an area of unprecedented dangers. Our vulnerability to disruptions in the flow of raw materials and the growth of Soviet naval power will make possession and modernization of the Panama Canal even more important to our Nation's security. But, instead we are being asked to relinquish control of this vital waterway in an effort to placate a regime that has proven to be hostile to American interests. Moreover, we are asking the American people to pay for this regime to take the canal at a cost of $4 billion to the American taxpayers. I would remind my colleagues that the administration declared, last year, that the treaties were to cost the American people nothing. As time passes, the calculations as to what it would cost climb steadily.

Mr. Speaker, I would like to call the attention of my colleagues to one other feature of our negotiations with Panama with respect to this vital waterway. After 2 years of discussion and debate, there are still problems and meaning and interpretation. It is not all clear that the Panamanians and the American Government see eye to eye on these treaties. They are, and will be, a continuing source of soreness and mischief.

Mr. Speaker, I am not, in principle, opposed to a new treaty with Panama. But I cannot see how the proposed arrangements will satisfy our just national interests.●

● Mr. HANSEN. Mr. Speaker, my colleague from Pennsylvania (Mr. FLOOD) has introduced legislation which seeks to redevelop the suspended third locks project in the Panama Canal. I have cosponsored this legislation, and I strongly urge my colleagues to support this proposal to resume construction on this modernization project, which has been modified and improved, within the framework of continued undiluted U.S. sovereign control over the Canal Zone.

Many of you are aware that recent hearings of the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee have raised several serious questions about the validity of the treaties, which were approved last year by the Senate, as well as numerous different interpretations of treaties by the Panamanians. The most important question, however, is whether the transfer of property without the concurrence of the House of Representatives is constitutional.

Without positive House action, the taxpayers and consumers of this Nation are about to suffer the worst single assault on their pocketbooks in history.

The Senate approved the Panama treaties in 1978 with ringing assurances that there would be no cost to U.S. taxpayers. But hard realities have now replaced the "Alice in Wonderland" State Department fantasies as we see U.S. taxpayers facing a mountainous $4 billion price tag just to pay the transfer costs for giving away the Panama Canal.

The legislation to implement the ill-advised Panama Canal treaties is now before Congress and due to be acted on very soon. Now is the time for Congress to take control of this situation to guarantee that there will be no treaty implementation obligating the United States to a massive transfer of property and huge long-term expenditure of taxpayers' money without an act of Congress.

Continued uninterrupted cargo transit of the Panama Canal is also of great concern, and we cannot ignore the existing difficulties in the total capacity of the canal and the need for improvements to accommodate the larger fuel tankers from Alaska to the east coast markets.

As Congressman FLOOD has pointed out, H.R. 1930 provides for such improvements within the framework of continued U.S. control over the Canal Zone.●

THE SELECT COMMITTEE ON POPULATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SCHEUER) is recognized for 5 minutes.

● Mr. SCHEUER. Mr. Speaker, the House will be voting on House Resolution 38, to reestablish the Select Committee on Population for the duration of the 96th Congress. This resolution is identical to the one which established the select committee in 1977.

During the past year, the Select Committee on Population has made a concerted effort to work closely with the standing committees which have jurisdiction over population-related matters. We believe that the select committee's most valuable contribution is in demonstrating the impact of demographic change on key public policy issues under consideration by the Congress.

We have made concerted attempts to bring the standing committees into the planning process for our hearings and to encourage their direct participation as well. The five substantive reports issued by the committee during 1978, written with the policymakers in the executive branch as well as in the Congress in mind, have been transmitted to the relevant standing committee and subcommittee chairmen and to the pertinent executive department Cabinet secretaries.

We hope to continue and to strengthen these working relationships, if the select committee is reconstituted for an additional 2 years.

Mr. Speaker, I request permission to insert in the RECORD samples of correspondence which the select committee has had with chairmen of the standing committees and subcommittees and Cabinet Secretaries. I hope these letters will be useful to my colleagues in the consideration of House Resolution 38.

The first letter, to Hon. Paul Rogers, is an example of the letters which were sent to virtually all the standing committees of the House inviting them to participate in our hearings.

The second letter, to Chairman PETER RODINO is an example of the letters transmitting the select committee's reports. Similar letters were sent to the chairmen of the following committees:

Agriculture; Appropriations; Subcommittee on Labor-HEW; Subcommittee on Foreign Operations; Armed Services; Banking, Finance and Urban Affairs; Subcommittee on Housing and Community Development; Education and Labor; Foreign Affairs; Interstate and Foreign Commerce; Subcommittee on Health and the Environment; Subcommittee on Immigration, Citizenship and International Law; Post Office and Civil Service; Public Works and Transportation; Ways and Means; and the Subcommittee on Social Security.

The third letter, to Secretary of Commerce Juanita Kreps, is a sample of the letters to Cabinet Secretaries outlining the select committee's recommendations relevant to them. Similar letters were addressed to:

Secretary of Labor Ray Marshall; Secretary of Agriculture Bob Bergland; Secretary of State Cyrus Vance; Secretary of Health, Education, and Welfare Joseph Califano; AID Administrator John Gilligan; and OMB Director James McIntyre.

The letters follow:

FEBRUARY 10, 1978.

Hon. PAUL A. ROGERS,
Chairman, Subcommittee on Health and the Environment, Committee on Interstate and Foreign Commerce, Washington, D.C.

DEAR MR. CHAIRMAN: As Chairman of the Select Committee on Population, I am writing to seek your participation, and that of your Subcommittee staff, in the planning and presentation of the Select Committee's upcoming hearings on fertility and contraception in America. The hearings will include an examination of research into reproductive and contraceptive technology, and are scheduled for February 21, 22, and 23; February 28 and March 1 and 2; and March 7, 8, and 9.

I apologize for our tardiness in inviting your participation in these hearings, but since the Select Committee staff was not organized and appointed until the first of December 1977, our planning process has taken place under very severe time constraints. In addition, the January recess prevented our Members from meeting and approving our 1976 work plan until just a few days ago. Despite the short time remaining prior to the Select Committee's first major hearings, I hope that our study of domestic fertility and contraception will be a completely cooperative effort between the Select Committee and your Subcommittee. One of the Select Committee's primary objectives is to study issues, and produce findings and recommendations, which will be helpful in the exercise of your Subcommittee's legislative jurisdiction.

In this connection, I would like very much to meet with you within the next few days, so that we might discuss a possible agenda, suggested witnesses, and the possibility that you might Chair some of the upcoming hearings which cover areas within your Subcommittee's legislative jurisdiction. I have also asked Maris Vinovskis, our staff task force leader for these hearings, to contact your Subcommittee staff about these matters.

I look forward very much to your full participation, and that of your Subcommittee staff, in the presentation of an interesting and useful series of hearings on domestic fertility and contraception.

With every warm best wish,

Yours,

JAMES H. SCHEUER,
Chairman.

SELECT COMMITTEE ON POPULATION,
Washington, D.C., February 7, 1979.

Hon. PETER W. RODINO, Jr.,
Chairman, Committee on the Judiciary, Washington, D.C.

DEAR PETE: We are pleased to submit for your attention the following reports, issued by the Select Committee on Population in 1978:

World Population: Myths and Realities.

Fertility and Contraception in the United States.

Legal and Illegal Immigration to the United States.

Population and Development Assistance.

Domestic Consequences of United States Population Change.

Final Report.

The Select Committee on Population has, of course, no legislative authority; it is our charge and our goal to serve as a resource to the standing committees of the House with jurisdiction over population-related matters. Hearings held by the Select Committee, however, provided a forum for both detailed examination of key national issues and broad-based oversight of existing population-related programs. In addition, it is our hope that the reports of the Select Committee will provide a worthwhile background for Committee Chairmen as they prepare their agendas for the 96th Congress.

In close consultation with you and your staff, the Select Committee held an extensive set of hearings on the question of immigration. We believe that the report based on these hearings, Legal and Illegal Immigration to the United States, offers a comprehensive analysis of the immigration problem. Since it is our goal to serve as a resource to the standing committees, we are passing on to you some of the relevant recommendations made by the Select Committee which we hope will be useful to the Judiciary Committee and its Subcommittee on Immigration, Citizenship and International Law. If you intend to hold hearings in any of the areas the Select Committee covered, please let us know of any quiet, helpful and supportive role the Select Committee—its Members or staff—might play.

One of the most striking features of our hearings was the repeated assertion by witnesses that there are inadequate data available to assess the impact of immigration on various U.S. institutions and government programs. For this reason, the Select Committee on Population favors expanded Federally-sponsored research on the dimensions and impact of immigration to the U.S., and recommends the expenditure of up to $10 million for this purpose. These funds would be allocated among the Justice Department (INS), the Bureau of the Census, the Department of State, the Department of Labor, the Social Security Administration, and particularly the Center for Population Research (CPR) of the National Institute for Child Health and Human Development (NICHD) of the Department of Health, Education, and Welfare. Since the C.P.R. is the lead agency

of the Federal government in population research, we feel that they should take the responsibility for insuring that adequate studies be undertaken in this area.

The limited research completed in the area of immigration has been severely hampered by a deficient data base, which has precluded any longitudinal studies of the impacts of immigration to the U.S. In an effort to correct this, the Select Committee has recommended automation of all data storage * * *

SELECT COMMITTEE ON POPULATION,
Washington, D.C., February 9, 1979.

Hon. JUANITA M. KREPS,
Secretary of Commerce,
Washington, D.C.

DEAR MADAM SECRETARY: The Select Committee on Population (SCP) has issued a Report which examines the impact of the "baby boom" and the subsequent "baby bust" on various social institutions and the impact of changing migration patterns on the provision of services for individuals in localities which are gaining or losing population. A copy of the Report, entitled The Domestic Consequences of United States Population Change, is enclosed.

In October, we wrote to you with regard to one of the issues mentioned in the Report: the discrepancies among population projections on subnational areas prepared by the Federal Government. We were very pleased to receive your response and to learn of the attention being directed to this important issue by the Office of Federal Statistical Policy and Standards.

We believe that as Secretary of Commerce and as Chairman of the Statistical Policy Coordination Committee, you will be interested in several other recommendations contained in the Report. The Select Committee also made recommendations regarding national data collected and national projections prepared by the Census Bureau. In particular, we state in the Report:

Many analysts believe that in the future fertility rates in the United States will fluctuate rather than follow a steady trend. In view of the importance of these fluctuations for all social policies, the Census Bureau should update its projections frequently to take into account possible fluctuations in fertility rates. (p. 9)

Federal agencies which prepare long-range projections, such as the Census Bureau and the Social Security Administration, should consider using a wider range of assumptions in projecting the extreme cases. An example might be to treat recent declines in both fertility and mortality not as short-term aberrations, but as the beginning of new long-term trends. (p. 9)

The Census Bureau should develop more information on the future elderly population—its size, characteristics, and location—and make this information available to agencies which plan service facilities for the elderly. (p. 11)

The Census Bureau should report more fully on the long-term consequences of projected population trends for various institutions, and the Demographic Analysis Division of the Census Bureau should be provided with sufficient funds and staff to perform this task. (p. 12)

(We understand that this division exists essentially on paper only, with few or no staff and little or no budget.)

The Select Committee found that the most salient feature of the elderly population is its heterogeneity. Rising life expectance means that there can be several generations within the elderly classification.

Of the 6.9 million increase in the elderly population in the 1980s and 1990s, almost three-fourths will be in the 75 and over age group. (p. 4)

Accordingly, the Select Committee believes that the national data base concerning the elderly should be expanded, in particular, by:

Tabulating and publishing data on the elderly wherever possible by 5-year age groups, and at least by 10-year age groups. Where necessary, the agency involved should consider expansion of the sample, or oversampling of the elderly to obtain a reliable data base:

Conducting long-term surveys, to understand better life changes that take place in the aging process; and

Considering a national survey of the elderly as a means of developing integrated information on the interactions of health, income, social, and other characteristics which determine the complex and interrelated needs of the elderly.

The Select Committee on Population (SCP) also made recommendations about responding to the consequences of changing migration patterns:

American society is still structured around the assumption of continued population growth, and little is known about how best to manage the population decline which is currently taking place in some localities. The Select Committee on Population recommends the support of research on the "management" of decline with a view to training administrators to anticipate and plan more efficiently for changes in population size, both upward and downward. (p. 11)

Because population decline is not entirely a regional phenomenon and because the concept of balanced national growth is ill-defined, Federal aid should be targeted to distressed individuals and localities regardless of their regional location. (p. 12)

The use of population size alone as a criterion for Federal aid to localities ignores the effects on the demand for services of changing population characteristics associated with growth or decline. The SCP recommends a review of Federal formulas for aid to localities and consideration of other factors which better measure the need of localities and their residents for Federal assistance.

Information on migration in the United States is deficient and research in this field is fragmented. A study of Federal research on internal population movements is recommended to investigate, in particular:

The capabilities within the Federal Government for research;

Federal support for non-governmental research;

coordination of research activities and support by the various Federal agencies; and

the availability, quality, and timeliness of the data needed for such research.

The Select Committee on Population made a number of recommendations with regard to the preparation of estimates and projections of the populations of States and local areas and the use of this information by Federal agencies. Some of these were communicated to you in our October 5th letter. The recommendations are as follows:

The Committee supports the efforts of the Census Bureau to improve the review process by which State and local governments can appeal the intercensal estimates prepared by the Census Bureau for use in the General Revenue Sharing program. The Committee further supports the efforts of the Census Bureau to develop a more efficient system for local review of the 1980 Census counts prior to their publication.

A mechanism should be established to review and coordinate the use of projections by Federal agencies and to establish clear guidelines for the preparation and use of projections for State and local areas in Federal funding allocation formulas. The Committee recommends that:

Projections be based on demographically sound methodologies:

Projections be updated regularly;

Checks be applied to assure that the total of all State projections and all projections for local areas be more or less equal to reasonable projections of the total population for the country as a whole—otherwise the local and State projections become misleading or meaningless; and

State and local governments and the public be encouraged to participate in the preparation of projections.

The Statistical Policy Coordination Committee of the President's Cabinet should conduct a survey of all Federal agencies using population projections to determine how those projections are developed and used.

The Census Bureau should expand its support for research on methods of preparing:

estimates of population, demographic characteristics, and migration for States, counties, and subcounty units; and

population projections, projections of demographic characteristics, and projections of migration at the subnational level.

The Committee supports the efforts of the Census Bureau to strengthen the Federal-State Cooperative Program for Local Population Estimates (FSCP) and recommends greater efforts to familiarize State and local officials with available resources. The Committee further recommends that the Census Bureau provide funds to the FSCP representative agencies to support the demographic analysis activities being undertaken by the States. Moreover, the Committee recommends that a parallel Federal-State Cooperative Program for Population Projections be established for the purpose of developing uniform and reliable projections for States and local areas and improving the methods used in preparing these projections. (pp. 13–14)

Finally, the Select Committee on Population made some general recommendations regarding the Federal statistical system:

To improve the accuracy, timeliness, and policy-relevance of the statistical data produced by Federal agencies and departments for effective policy development, the Committee supports the efforts of the President's Reorganization Project to provide coordination and to develop an overall plan for the Federal Statistical System. (p. 13)

To protect the individual's right to privacy, the Federal Government must continue to maintain strict control of the use of administrative records in the preparation of demographic data. When seeking information from citizens, the Federal Government should strive to lessen the burden on respondents by improving questionnaires used for information gathering.

We emphasize that our recommendations reflect the Select Committee's supportive and, we hope, catalytic role within the Congress. Legislative action concerning the issues we have studied clearly lies within the jurisdiction of the appropriate Standing Committees—in this case, the Post Office and Civil Service Committee in particular. We hope our efforts will be of assistance to you and your Department as you work with the highly able Chairman of that Committee, the Honorable James M. Hanley.

We are sending this Report to you for your review and comment. We look forward to receiving your reactions and hope that we are able to meet with you informally should the House in its wisdom decide to reconstitute the Select Committee for the 96th Congress.

With best regards,

Sincerely,

JAMES H. SCHEUER,
Chairman.

DAVE STOCKMAN,
Cochairman, Task Force on U.S. Population Change.

JOHN N. ERLENBORN,
Ranking Minority Member.

DANIEL K. AKAKA,
Cochairman, Task Force on U.S. Population Change.

BAGEL CAPITAL?

(Mr. BINGHAM asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. BINGHAM. Mr. Speaker, last week, in celebration of St. Patrick's Day, our esteemed colleague, BOB GIAIMO, circulated a "Dear Colleague" letter of greetings along with a very green bagel. The bagels, which were quite tasty despite their hue, were provided by Lender's, which has been baking bagels in West Haven, Conn., since 1927.

I have no objection to green bagels per se, and I have nothing against the Nutmeg State. In fact, I was born there. But I cannot let pass in silence the claim on Lender's wrappers that Connecticut is the "bagel capital of the world." Connecticut has many claims to fame. But I would have to challenge the suggestion that Connecticut is to bagels what Boston is to chowder or Philadelphia is to cheesesteak. There is only one bagel capital in the world, and as everyone knows, that capital is New York City. Perhaps a bagel and nutmeg sandwich is indigenous to Connecticut. But when it comes to bagels and especially to bagels and lox, there is only New York.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. ALEXANDER (at the request of Mr. WRIGHT), for March 19 and 20, on account of official business.

Mr. AMBRO (at the request of Mr. WRIGHT), for today, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. GRISHAM), to revise and extend their remarks, and to include extraneous matter:)

Mr. GILMAN, for 20 minutes, today.
Mr. MILLER of Ohio ,for 1 hour ,today.
Mr. KEMP, for 10 minutes, today.
Mr. EMERY, for 5 minutes, today.
Mr. CORCORAN, for 5 minutes, today.
Mr. GRASSLEY, for 5 minutes, today.
Mr. GREEN, for 10 minutes, today.

(The following Members (at the request of Mr. FAZIO), to revise and extend their remarks, and to include extraneous matter:)

Mr. WEAVER, for 10 minutes, today.
Mr. BINGHAM, for 15 minutes, today.
Mr. ANNUNZIO, for 5 minutes, today.
Mr. GONZALEZ, for 5 minutes, today.
Mr. ASHLEY, for 5 minutes, today.
Mr. FORD of Michigan, for 5 minutes, today.
Mr. PANETTA, for 5 minutes, today.
Mr. HOWARD, for 15 minutes, today.
Mr. FLOOD, for 30 minutes, today.
Mr. VANIK, for 5 minutes, today.
Mr. DRINAN, for 5 minutes, today.
Mr. SCHEUER, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. GINGRICH) and to include extraneous matter:)

Mr. WILLIAMS of Ohio.
Mr. SOLOMON.
Mr. SENSENBRENNER.
Mr. GILMAN in two instances.
Mr. LENT.
Mr. MCCLORY.
Mr. GRADISON in two instances.
Mr. COLLINS of Texas in three instances.
Mr. GREEN.
Mr. LAGOMARSINO.
Mr. SYMMS.
Mr. FRENZEL in three instances.
Mr. MCKINNEY.
Mr. CORCORAN.
Mr. YOUNG of Alaska in two instances.
Mr. HANSEN in three instances.
Mr. ANDERSON of Illinois in two instances.
Mr. HAGEDORN.
Mr. ABDNOR in two instances.
Mr. GINGRICH.
Mr. LEWIS.
Mr. RUDD.
Mr. FINDLEY in two instances.
Mr. BADHAM.
Mr. RITTER in five instances.
Mr. MICHEL in two instances.

(The following Members (at the request of Mr. FAZIO) and to include extraneous matter:)

Mr. HARRIS.
Mr. KILDEE.
Mr. BENJAMIN in two instances.
Mr. LAFALCE in three instances.
Mr. DIXON.
Mr. SKELTON in three instances.
Mr. GIAIMO.
Mr. SOLARZ.
Mr. ANDERSON of California in three instances.
Mr. GONZALEZ in three instances.
Mr. RODINO in two instances.
Mr. HALL of Ohio.
Mr. BLANCHARD.
Mr. GORE in two instances.
Mr. HARKIN.
Mr. DUNCAN of Oregon.
Mr. EDGAR in two instances.
Mr. HAWKINS.
Mrs. SCHROEDER.
Mr. DRINAN.
Mr. PANETTA.
Mr. JENKINS.
Mr. BOLLING of Missouri.
Mr. APPLEGATE.
Mr. DASCHLE.
Mr. VANIK.
Mr. MURPHY of Illinois.
Mr. SCHEUER.
Mr. MITCHELL of Maryland.
Mr. WOLFF.
Mr. BONKER.
Mr. EVANS of Indiana.
Mr. STUDDS.
Mr. MURTHA.
Mr. GARCIA.

ADJOURNMENT

Mr. HOWARD. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 19 minutes p.m.) The House adjourned until tomorrow Wednesday, March 21, 1979, at 3 p.m.

CONTRACTUAL ACTIONS, CALENDAR YEAR 1978, TO FACILITATE NATIONAL DEFENSE

The Clerk of the House of Representatives submits the following report for printing in the CONGRESSIONAL RECORD pursuant to section 4(b) of Public Law 85-804:

DEPARTMENT OF ENERGY,
Washington, D.C., March 15, 1979.

Hon. THOMAS P. O'NEILL,
Speaker of the House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: The following information is submitted pursuant to the provisions of Public Law 85-804, and implementing instructions contained in Federal Procurement Regulation Part 1-17.

For the calendar year ending December 31, 1978, the following actions, under the subject Act, are reported for the Department of Energy:

1. Action approved: Contractual Fairness-Formalization of Informal Commitment.

Amount requested	$7,865
Amount approved	*$7,865

*Approved pending reconsideration.

2. Actions denied: None.

Sincerely,

JOHN E. REID,
Director, Office of Procurement Management, Procurement and Contracts, Management Directorate.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1018. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting a report that the appropriation to the Department of Defense—Military for "Retired pay, defense" for fiscal year 1979 has been apportioned on a basis which indicates the necessity for a supplemental appropriation, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations

1019. A letter from the Secretary of Housing and Urban Development, transmitting a report on the Department's experience under the Interstate Land Sales Full Disclosure Act in administering the onsite inspection statutory exemption, administering the 300 lot limited offering regulatory exemption, and reaching administrative settlements regarding various kinds of fraudulent practices, requested by a provision in the Conference Report on the Housing and Community Development Amendments of 1978; to the Committee on Banking, Finance and Urban Affairs.

1020. A letter from the Chairman, Federal Deposit Insurance Corporation, transmitting the fourth annual report of the Corporation's Office of Consumer Affairs and Civil Rights, pursuant to section 18(f)(5) of the Federal Trade Commission Act, as amended; to the Committee on Banking, Finance and Urban Affairs.

1021. A letter from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting proposed final regulations amending the Family Contributions Schedules for use during the 1979-80 award period under the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provi-

sions Act, as amended; to the Committee on Education and Labor.

1022. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the State Department's intention to consent to a request by the Government of the Federal Republic of Germany for permission to transfer certain U.S.-origin military equipment to the Government of Greece, pursuant to section 3(a) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1023. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for certain defense equipment sold commercially to Saudi Arabia (Transmittal No. MC-12-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1024. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for certain defense equipment to the Federal Republic of Germany (Transmittal No. MC-13-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1025. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of an export license for certain defense equipment sold commercially to Israel (transmittal No. MC-17-79), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1026. A letter from the Director, Defense Security Assistance Agency, transmitting notice of the Army's intention to offer to sell certain defense equipment to the United Kingdom (transmittal No. 79-10), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

1027. A letter from the Chairman, Federal Election Commission, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1028. A letter from the Secretary, Commission of Fine Arts, transmitting a report on the Commission's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1029. A letter from the Executive Secretary, National Mediation Board, transmitting a report on the Board's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1030. A letter from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting a report on the Authority's activities under the Freedom of Information Act during calendar year 1978, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

1031. A letter from the Administrator, Energy Information Administration, Department of Energy, transmitting reports for the month of December 1978, on changes in market shares of refined petroleum products and of retail gasoline, pursuant to section 4(c)(2)(A) of the Emergency Petroleum Allocation Act of 1973; to the Committee on Interstate and Foreign Commerce.

1032. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report covering the month of December 1978, on the average number of passengers per day on board each train operated, and the ontime performance at the final destination of each train operated, by route and by railroad, pursuant to section 308(a)(2) of the Rail Passenger Service Act of 1970, as amended; to the Committee on Interstate and Foreign Commerce.

1033. A letter from the Administrator of General Services, transmitting a prospectus proposing alterations at the U.S. Customhouse and Appraiser's Stores, Philadelphia, Pa., pursuant to section 7(a) of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

1034. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to authorize appropriations for the Federal Fire Prevention and Control Act of 1974; to the Committee on Science and Technology.

1035. A letter from the Administrator of Veterans' Affairs, transmitting a draft of proposed legislation to amend title 38 of the United States Code to provide for the right of the United States to recover the costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts or rights with respect to such care, or have entitlement to private medical care under workers' compensation or automobile accident reparation statutes of any State, and for other purposes; to the Committee on Veterans' Affairs.

1036. A letter from the Comptroller General of the United States, transmitting a report on the Navy's strategic communications systems (PSAD-79-48, March 19, 1979); jointly, to the Committees on Government Operations, and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. KASTENMEIER: Committee on the Judiciary. H.R. 2301. A bill to amend the Federal District Court Organization Act of 1978 with respect to certain administrative matters arising from the redrawing of the Federal judicial districts in the State of Illinois; with amendment (Rept. No. 96-55). Referred to the Committee of the Whole House on the State of the Union.

Mr. BENNETT: Committee on Armed Services. H.R. 595. A bill to authorize the Administrator of General Services to dispose of 35,000 long tons of tin in the national and supplemental stockpiles, and to provide for the deposit of moneys received from the sale of such tin (Rept. No. 96-56). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 1543. A bill to improve the operation of the adjustment assistance programs for workers and firms under the Trade Act of 1974; with amendment (Rept No. 96-57). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 2676. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1980, and for other purposes; with amendment (Rept. No. 96-58). Referred to the Committee of the Whole House on the State of the Union.

Mr. WHITTEN: Committee of conference. Conference report on H.R. 2439 (Rept. No. 96-59). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASHLEY (for himself and Mr. REUSS) (by request):

H.R. 3097. A bill to amend and extend certain Federal laws relating to housing, community and neighborhood development and preservation, and related programs, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. BRINKLEY:

H.R. 3098. A bill to amend title 10 of the United States Code to provide essential medical and dental care to members or former members of a uniformed service and their dependents where the member or former member is entitled to retired or retainer pay or equivalent pay; to the Committee on Armed Services.

By Mr. BINGHAM:

H.R. 3099. A bill to amend the Emergency Petroleum Allocation Act of 1973 to extend price controls on domestically produced crude oil for a period of 24 months; to the Committee on Interstate and Foreign Commerce.

By Mr. CARR (for himself, Mr. RATCHFORD, Mrs. SCHROEDER, Mr. ROSE, Mr. LUNDINE, Mr. EDGAR, Mr. FAZIO, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. RICHMOND, Mr. VOLKMER, Mr. GEPHARDT, Mr. ASPIN, Ms. HOLTZMAN, Mr. DOWNEY, Mr. HARRIS, Mr. MATSUI, Mr. LELAND, Mr. KOSTMAYER, Mr. BONIOR of Michigan, Mr. GORE, Mr. WEAVER, Mr. DODD, Mr. BEDELL, Mr. MCCLOSKEY, Mr. VENTO, Mr. TRAXLER, Mr. ALBOSTA, Mr. BENJAMIN, Mr. KILDEE, Mr. MILLER of California, Mr. PRICE, Mr. LUKEN, Mr. MURPHY of Pennsylvania, Mr. MAZZOLI, and Mr. MYERS of Pennsylvania):

H.R. 3100. A bill to limit the amount of outside earned income which may be received by Members of the House of Representatives and Senators; to the Committee on Rules.

By Mr. CORMAN (for himself and Mr. FASCELL):

H.R. 3101. A bill to amend title XVIII of the Social Security Act with respect to surgical procedures which can be safely and appropriately performed on an ambulatory basis; jointly, to the Committees on Ways and Means, and Interstate and Foreign Commerce.

By Mr. DASCHLE (for himself, Mr. BONIOR of Michigan, Mr. ASPIN, Mr. BAILEY, Mr. BEREUTER, Mr. CAVANAUGH, Mr. DODD, Mr. ERTEL, Mr. FROST, Mr. GORE, Mr. HARKIN, Mr. LAFALCE, Mr. MURTHA, Mr. PANETTA, and Mr. ROTH):

H.R. 3102. A bill to amend title 38, United States Code, to provide expanded readjustment benefits for Vietnam-era veterans by promoting employment of such veterans through job vouchers, by providing increased funding and improved programs for health and psychological care for such veterans, by improving education assistance under the GI bill for such veterans, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. DUNCAN of Tennessee:

H.R. 3103. A bill to amend the Internal Revenue Code of 1954 to provide that expenditures for woodburning stoves shall be eligible for the 15 percent residential energy credit for energy conservation expenditures; to the Committee on Ways and Means.

By Mr. EVANS of Indiana:

H.R. 3104. A bill to prohibit the Secretary of Agriculture from prohibiting the use of nitrites as food preservatives as the basis of any carcinogenic effect nitrates may be represented to have until a satisfactory substitute is commercially available; to the Committee on Agriculture.

By Mr. GRASSLEY:

H.R. 3105. A bill to amend part A of title IV of the Social Security Act to make it clear that any State may impose work require-

ments as a condition of eligibility for aid to families with dependent children; to the Committee on Ways and Means.

By Mr. GRASSLEY (for himself, Mr. ABDNOR, Mr. ALBOSTA, Mr. ALEXANDER, Mr. ANDREWS of North Dakota, Mr. ASHBROOK, Mr. ATKINSON, Mr. AUCOIN, Mr. BADHAM, Mr. BAFALIS, Mr. BAILEY, Mr. BALDUS, Mr. BAUMAN, Mr. BEARD of Tennessee, Mr. BEDELL, Mr. BENJAMIN, Mr. BENNETT, Mr. BEREUTER, Mr. BEVILL, Mrs. BOUQUARD, Mr. BROWN of Ohio, Mr. BUCHANAN, Mr. BURGENER, Mr. JOHN L. BURTON, Mr. BUTLER, Mr. CAVANAUGH, Mr. CHAPPELL, Mr. CHENEY, Mr. CLAUSEN, Mr. CLEVELAND, Mr. CLINGER, Mr. COLEMAN, Mr. CORCORAN, Mr. COELHO, Mr. CONTE, Mr. CORRADA, Mr. DANIEL B. CRANE, Mr. DANNEMEYER, Mr. DAN DANIEL, Mr. DANIELSON, Mr. DASCHLE, Mr. DERWINSKI, Mr. DORNAN, Mr. EDGAR, Mr. EDWARDS of Oklahoma, Mr. ENGLISH, Mr. EVANS of Georgia, Mr. EVANS of the Virgin Islands, Mr. FAZIO, Mr. FITHIAN, Mr. FORSYTHE, Mr. FOUNTAIN, Mr. FUQUA, Mr. GILMAN, Mr. GINGRICH, Mr. GINN, Mr. GLICKMAN, Mr. GOODLING, Mr. GRISHAM, Mr. GUARINI, Mr. GUDGER, Mr. GUYER, Mr. HAGEDORN, Mr. HALL of Texas, Mr. HAMILTON, Mr. HANCE, Mr. HANLEY, Mr. HINSON, Mrs. HOLT, Mr. HOWARD, Mr. HUBBARD, Mr. HUCKABY, Mr. HUGHES, Mr. HYDE, Mr. ICHORD, Mr. JACOBS, Mr. JENRETTE, Mr. JOHNSON of Colorado, Mr. KINDNESS, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEACH of Iowa, Mr. LEACH of Louisiana, Mr. LEATH of Texas, Mr. LELAND, Mr. LLOYD, Mr. LONG of Maryland, Mr. LONG of Louisiana, Mr. MCCLOSKEY, Mr. MCDONALD, Mr. MCHUGH, Mr. MCKINNEY, Mr. MAGUIRE, Mr. MARLENEE, Mr. MARRIOTT, Mr. MARTIN, Mr. MATHIS, Ms. MIKULSKI, Mr. MINISH, Mr. MOLLOHAN, Mr. MONTGOMERY, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. NICHOLS, Mr. NOLAN, Mr. O'BRIEN, Mr. OTTINGER, Mr. PANETTA, Mr. PASHAYAN, Mr. PATTEN, Mr. PATTERSON, Mr. PRICE, Mr. PERKINS, Mr. ROBINSON, Mr. RUDD, Mr. SABO, Mr. SCHEUER, Mr. SCHULZE, Mr. SEBELIUS, Mr. SENSENBRENNER, Mr. SHUMWAY, Mr. SKELTON, Mrs. SMITH of Nebraska, Mrs. SPELLMAN, Mr. STANGELAND, Mr. STARK, Mr. STUMP, Mr. SYMMS, Mr. TAUKE, Mr. THOMAS, Mr. THOMPSON, Mr. TRAXLER, Mr. TRIBLE, Mr. VENTO, Mr. WALKER, Mr. WAMPLER, Mr. WEAVER, Mr. WHITEHURST, Mr. WHITLEY, Mr. WHITTAKER, Mr. WILLIAMS of Montana, Mr. CHARLES WILSON of Texas, Mr. WINN, Mr. WOLFF, Mr. WOLPE, Mr. WON PAT, Mr. WIRTH, Mr. YATRON, Mr. YOUNG of Florida, and Mr. WATKINS):

H.R. 3106. A bill to amend the Internal Revenue Code of 1954 to subject foreign investors to the capital gains tax on gain from the sale or exchange of certain farmland and other rural land located in the United States; to the Committee on Ways and Means.

By Mr. HUCKABY (for himself, Mr. WHITTEN, Mr. BREAUX, Mr. LONG of Louisiana, Mrs. BOGGS, Mr. LEACH of Louisiana, Mr. MOORE, Mr. LIVINGSTON, Mr. MONTGOMERY, Mr. HINSON, Mr. BOWEN, Mr. LOTT, Mr. BETHUNE, Mr. HAMMERSCHMIDT, and Mr. ANTHONY):

H.R. 3107. A bill to establish the Tensas River National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. JACOBS:

H.R. 3108. A bill to amend the Internal Revenue Code of 1954 to provide that an individual who does not itemize deductions may deduct charitable contributions to the extent such contributions exceed $200; to the Committee on Ways and Means.

H.R. 3109. A bill to amend title XVIII of the Social Security Act to permit payment under the medicare program for certain types of foot care; jointly, to the Committees on Ways and Means and Interstate and Foreign Commerce.

By Mr. JENKINS:

H.R. 3110. A bill to amend the Tariff Schedules of the United States to provide a duty on certain items relating to models of household furnishings and accessories, and miniature houses; to the Committee on Ways and Means.

By Mr. LIVINGSTON (for himself, Mr. JOHNSON of California, Mr. LEDERER, and Mr. FORSYTHE):

H.R. 3111. A bill to direct the Secretary of the Army to study and recommend to Congress the extent of non-Federal cooperation that should be required for retaining works for dredged material at water resources development projects under the jurisdiction of the Secretary of the Army; to the Committee on Public Works and Transportation.

By Mr. MCCLOSKEY (for himself and Mr. MINETA):

H.R. 3112. A bill to amend the Renegotiation Act of 1951 to provide that such act shall only be in effect when the President, during a period of national emergency, determines that having the provisions of such act in effect would be in the best interest of the country; to the Committee on Banking, Finance and Urban Affairs.

By Mr. MITCHELL of Maryland:

H.R. 3113. A bill to amend the Small Business Act to provide that procurement programs under such act shall remain in full force and effect without regard to the enactment of any implementing bill under the Trade Act of 1974, nor any provision of law heretofore or hereinafter enacted; to the Committee on Small Business.

By Mr. PEASE:

H.R. 3114. A bill to amend the Federal Election Campaign Act of 1971 to provide for financing of general election campaigns for the House of Representatives, and to amend the Internal Revenue Code of 1954 to provide a limited additional tax credit for political contributions to candidates for Congress; to the Committee on House Administration, and Ways and Means.

By Mr. REGULA:

H.R. 3115. A bill to amend the Internal Revenue Code of 1954 to allow certain federally required nonproductive expenditures to be treated as expenses, and for other purposes; to the Committee on Ways and Means.

By Mr. SAWYER:

H.R. 3116. A bill to repeal the Davis-Bacon Act, and for other purposes; to the Committee on Education and Labor.

By Mr. SOLOMON:

H.R. 3117. A bill to amend the Internal Revenue Code of 1954 to allow certain low- and middle-income individuals a refundable tax credit for a certain portion of the property taxes paid by them on their principal residences or of the rent they pay for their principal residences; to the Committee on Ways and Means.

By Mr. STAGGERS:

H.R. 3118. A bill to enable freestone peach growers to finance through their own industry a nationally coordinated research and education program to improve their competitive position and expand their markets for peaches; to the Committee on Agriculture.

By Mr. STAGGERS (by request):

H.R. 3119. A bill to extend the Solid Waste Disposal Act for 2 years; to the Committee on Interstate and Foreign Commerce.

H.R. 3120. A bill to extend provisions of the Noise Control Act of 1972 for 2 years; to the Committee on Interstate and Foreign Commerce.

H.R. 3121. A bill to amend the Flammable Fabrics Act to eliminate certain reporting requirements imposed upon the Secretary of Commerce by such act; to the Committee on Interstate and Foreign Commerce.

By Mr. VANIK:

H.R. 3122. A bill relating to the tariff treatment of certain articles; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 3123. A bill to exempt from allocation and price regulations under the Emergency Petroleum Allocation Act of 1973 crude oil produced from deep stripper wells; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (by request):

H.R. 3124. A bill to extend expiring appropriation authorizations for emergency medical services systems and health information and promotion, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (for himself, Mr. WALGREN, Mr. LELAND, and Mr. CARTER):

H.R. 3125. A bill to extend for 3 fiscal years the expiring health information programs under title XVII of the Public Health Service Act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. CHARLES WILSON of Texas:

H.R. 3126. A bill to provide price incentives for production of crude oil from tertiary recovery projects; to the Committee on Interstate and Foreign Commerce.

H.R. 3127. A bill to reduce temporarily the rate of duty on ceramic insulators used in spark plugs; to the Committee on Ways and Means.

By Mr. ASHBROOK:

H.R. 3128. A bill to amend title 5 of the United States Code to establish a uniform procedure for congressional review of agency rules which may be contrary to law or inconsistent with congressional intent, to expand opportunities for public participation in agency rulemaking, and for other purposes; jointly, to the Committees on the Judiciary and Rules.

By Mr. GONZALEZ:

H.R. 3129. A bill to provide for the protection of franchised dealers of petroleum products; to the Committee on Interstate and Foreign Commerce.

By Mr. GONZALEZ (by request):

H.R. 3130. A bill to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HANCE (for himself, Mr. HUCKABY, Mr. BAILEY, Mr. ATKINSON, Mr. VOLKMER, Mr. KOGOVSEK, and Mr. LEATH of Texas):

H.R. 3131. A bill to amend title V of the Public Utility Regulatory Policies Act of 1978 to provide for preemption of certain State laws prohibiting or unduly hampering the construction of the Long Beach-Midland project or any crude oil transportation system approved under such title, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Ms. HOLTZMAN:

H.R. 3132. A bill to provide for the establishment of occupational safety and health standards to protect employees from nonionizing radiation (including the establishment of emergency temporary standards for radiation from radio frequency industrial heating devices until permanent standards are established); to the Committee on Education and Labor.

By Mr. JONES of Oklahoma:

H.R. 3133. A bill to suspend revenue sharing payments to States under the State and

Local Assistance Act of 1972; to the Committee on Government Operations.

H.R. 3134. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954 to allow the use of a participant's contributions to certain defined contribution plans as security for a loan from a bank or insured credit union; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. SOLARZ:

H.R. 3135. A bill to amend the Urban Mass Transportation Act of 1964 to authorize grants to be made for the reduction of noise associated with certain rail mass transportation systems, to authorize research, development, and demonstration programs for the reduction of noise associated with urban mass transportation, and for other purposes; to the Committee on Public Works and Transportation.

By Mr. BURLISON (for himself, Mr. PRICE, Mr. WON PAT, Mr. KILDEE, Mr. MITCHELL of Maryland, Mr. GIBBONS, Mr. YATRON, Mr. YOUNG of Missouri, Mr. HANLEY, Mr. STUDDS, and Mr. CARR):

H.J. Res. 261. Joint resolution proposing an amendment to the Constitution to provide for the direct popular election of the President and Vice President of the United States; to the Committee on the Judiciary.

By Mr. FORD of Michigan (for himself, Mr. BRADEMAS, and Mr. THOMPSON:)

H.J. Res. 262. Joint resolution to declare May 18, 1979 to be "National Museum Day"; to the Committee on Post Office and Civil Service.

By Mr. GARCIA (for himself, Mr. BALDUS, Mr. BENJAMIN, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. BROWN of California, Mr. JOHN L. BURTON, Mr. CORRADA, Mr. DE LA GARZA, Mr. DELLUMS, Mr. DOWNEY, Mr. FLOOD, Mr. GILMAN, Mr. GOODLING, Mr. GREEN, Mr. HAWKINS, Mr. HEFTEL, Mr. HORTON, Mr. JENRETTE, Mr. MAGUIRE, Mr. MURPHY of Pennsylvania, Mr. NOLAN, Mr. PERKINS, Mr. RANGEL, Mr. ROE, Mr. ROYBAL, Mr. SCHEUER, Mr. SOLARZ, Mr. STANGELAND, Mr. THOMPSON, Mr. VAN DEERLIN, Mr. VENTO, Mr. WAXMAN, and Mr. WEISS):

H.J. Res. 263. Joint resolution to authorize and require the President to issue a proclamation designating November 18 through 24, 1979, the week of Thanksgiving, as "National Farmworkers' Week"; to the Committee on Post Office and Civil Service.

By Mr. GRADISON:

H.J. Res. 264. Joint resolution proposing an amendment to the Constitution of the United States relative to the assignment of public school students; to the Committee on the Judiciary.

By Mr. GREEN (for himself, Mr. ADDABBO, Mr. AMBRO, Mr. ARCHER, Mr. AUCOIN, Mr. BARNES, Mr. BIAGGI, Mr. BINGHAM, Mr. BLANCHARD, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. CORRADA, Mr. DRINAN, Mr. EDWARDS of California, Mrs. FENWICK, Mr. FLOOD, Mr. FLORIO, Mr. FRENZEL, Mr. FROST, Mr. GILMAN, Mr. GOLDWATER, Mr. GUYER, Mrs. HECKLER, Mr. HEFTEL, Mr. HOLLENBECK, Ms. HOLTZMAN, Mr. HOWARD, Mr. HYDE, Mr. KEMP, Mr. KOSTMAYER, Mr. KILDEE, Mr. LAGOMARSINO, Mr. LEHMAN, Mr. LENT, Mr. LONG of Maryland, Mr. MCHUGH, Mr. MCKINNEY, Mr. MAGUIRE, Mr. MARKEY, Mr. MARLENEE, Mr. MOAKLEY, Mr. MOORE, Mr. PEPPER, Mr. PEYSER, Mr. OTTINGER, Mr. RANGEL, Mr. RICHMOND, Mr. ROE, Mr. ROSENTHAL, Mr. SCHEUER, Mrs. SCHROEDER, Mr. SHANNON, Mr. SOLARZ, Mr. TRAXLER, Mr. WAXMAN, Mr. WEISS, Mr. WOLFF, and Mr. YATES):

H.J. Res. 265. Joint resolution imploring the Union of Soviet Socialist Republics to release Doctor Semyon Gluzman from prison, and permit him and his family to imigrate to Israel; to the Committee on Foreign Affairs.

By Mr. STAGGERS:

H.J. Res. 266. Joint resolution to provide for the designation of a week as "National Lupus Week"; to the Committee on Post Office and Civil Service.

By Mr. SEBELIUS (for himself, Mr. MURPHY of Illinois, Mr. WATKINS, Mr. BUCHANAN, Mr. FAZIO, Mr. FUQUA, Mr. WOLPE, Mr. PANETTA, Mr. WHITLEY, Mr. WINN, Mr. CARTER, Mr. GINN, Mr. DOWNEY, Mr. WALKER, Mr. RICHMOND, Mr. ERDAHL, Mr. VENTO, Mr. JOHNSON of California, Mr. AKAKA, Mr. CHENEY, Mr. EVANS of the Virgin Islands, Mr. SNYDER, Mr. JONES of Tennessee, Mr. BAILEY, Mr. ANDREWS of North Dakota, Mr. CORRADA, Mrs. BYRON, Mr. FLORIO, Mr. FLOOD, Mr. GUDGER, Mr. FRENZEL, Mr. MURPHY of Pennsylvania, Mr. LAFALCE, Mr. PATTEN, Mr. MCHUGH, Mr. HALL of Texas, Mr. FITHIAN, Mr. SCHEUER, Mr. DUNCAN of Tennessee, Mr. DOUGHERTY, Mr. RAHALL, Mr. LAGOMARSINO, Mr. WALGREN, Mr. SPENCE, Mrs. HOLT, Mr. KILDEE, Mr. EVANS of Georgia, Mr. WEISS, Mr. WAXMAN, Mr. JOHNSON of Colorado, Mr. DAVIS of Michigan, Mr. VANDER JAGT, Mr. MCCORMACK, Mr. MITCHELL of New York, Mr. GORE, Mr. JEFFRIES, Mr. HANSEN, Mr. JEFFORDS, Mr. TAYLOR, Mr. MARLENEE, Mrs. HECKLER, Mr. SYMMS, Mr. FINDLEY, Mr. WAMPLER, Mr. LOEFFLER, Mr. JENRETTE, Mr. MCDONALD, Mr. GUYER, Mr. SHUSTER, and Mrs. SMITH of Nebraska):

H.J. Res. 267. Joint resolution to provide for designation of the first Friday of March as "Teacher Day, U.S.A."; to the Committee on Post Office and Civil Service.

By Mr. YOUNG of Missouri:

H.J. Res. 268. Joint resolution designating May 13, 1979, through May 19, 1979, as "Municipal Clerks' Week"; to the Committee on Post Office and Civil Service.

By Mr. MCCLORY (for himself, Mr. HYDE, Mr. BAFALIS, and Mr. WHITEHURST):

H.J. Res. 269. Joint resolution proposing an amendment to the Constitution of the United States relative to the balancing of the budget, the limitation of expenditures and the reduction of the public debt; to the Committee on the Judiciary.

By Mr. BINGHAM (for himself, Mr. ADDABBO, Mr. AKAKA, Mr. ALBOSTA, Mr. ANDERSON of California, Mr. ANDERSON of Illinois, Mr. BAILEY, Mr. BALDUS, Mr. BARNES, Mr. BEDELL, Mr. BEILENSON, Mr. BENJAMIN, Mrs. BOGGS, Mr. BOLAND, Mr. BOLLING, Mr. BONIOR of Michigan, Mr. BONKER, Mrs. BOUQUARD, Mr. BRADEMAS, Mr. BRODHEAD, Mr. BROWN of Ohio, Mr. BROWN of California, Mr. BUCHANAN, Mr. JOHN L. BURTON, Mr. PHILLIP BURTON, Mr. CARR, Mr. CAVANAUGH, Mr. CHENEY, Mrs. CHISHOLM, Mr. CLAY, Mr. COELHO, Mrs. COLLINS of Illinois, Mr. CONTE, Mr. CONYERS, Mr. CORMAN, Mr. CORRADA, Mr. COTTER, Mr. COUGHLIN, Mr. DELLUMS, Mr. DIGGS, Mr. DIXON, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. DUNCAN of Tennessee, Mr. DUNCAN of Oregon, Mr. ECKHARDT, Mr. EDGAR, Mr. EDWARDS of California, Mr. ERTEL, Mr. EVANS of the Virgin Islands, Mr. FASCELL, Mr. FAUNTROY, Mr. FAZIO, Mrs. FENWICK, Mr. FINDLEY, Mr. FISH, Mr. FISHER, Mr. FLOOD, Mr. FOLEY, Mr. FORD of Tennessee, Mr. FOWLER, Mr. FRENZEL, Mr. FROST, Mr. GIBBONS, Mr. GILMAN, Mr. GINGRICH, Mr. GINN, Mr. GORE, Mr. GRAY, Mr. GREEN, Mr. GUARINI, Mr. GUDGER, Mr. HARRIS, Mr. HAWKINS, Mr. HEFTEL, Mrs. HOLT, Ms. HOLTZMAN, Mr. HORTON, Mr. HOWARD, Mr. HUGHES, Mr. JACOBS, Mr. JENRETTE, Mr. JOHNSON of Colorado, Mr. KASTENMEIER, Mr. KILDEE, Mr. KOGOVSEK, Mr. KOSTMAYER, Mr. LAFALCE, Mr. LEDERER, Mr. LEE, Mr. LELAND, Mr. LONG of Maryland, Mr. LONG of Louisiana, Mr. LOWRY, Mr. LUKEN, Mr. MARKEY, Mr. MARKS, Mr. MATSUI, Mr. MAVROULES, Mr. MAZZOLI, Mr. MCCLOSKEY, Mr. MCHUGH, Ms. MIKULSKI, Mr. MIKVA, Mr. MILLER of California, Mr. MINETA, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOFFETT, Mr. MOORHEAD of Pennsylvania, Mr. MURPHY of New York, Mr. MURPHY of Illinois, Mr. MYERS of Pennsylvania, Mr. NEAL, Mr. NOLAN, Mr. NOWAK, Mr. O'BRIEN, Mr. OTTINGER, Mr. PANETTA, Mr. PATTERSON, Mr. PEPPER, Mr. PEYSER, Mr. PRICE, Mr. PRITCHARD, Mr. RAHALL, Mr. RANGEL, Mr. RATCHFORD, Mr. REUSS, Mr. RICHMOND, Mr. RODINO, Mr. ROE, Mr. ROSE, Mr. ROSENTHAL, Mr. ROYBAL, Mr. SABO, Mr. SCHEUER, Mr. SEIBERLING, Mr. SHANNON, Mr. SHARP, Mr. SIMON, Mr. SOLARZ, Mrs. SPELLMAN, Mr. STANTON, Mr. STARK, Mr. STEWART, Mr. STOKES, Mr. STUDDS, Mr. SWIFT, Mr. THOMPSON, Mr. TRAXLER, Mr. TRIBLE, Mr. UDALL, Mr. VAN DEERLIN, Mr. VENTO, Mr. VOLKMER, Mr. WALGREN, Mr. WAXMAN, Mr. WEISS, Mr. WILLIAMS of Montana, Mr. CHARLES WILSON of Texas, Mr. CHARLES H. WILSON of California, Mr. WOLFF, Mr. WOLPE, Mr. WON PAT, and Mr. YATES):

H. Con. Res. 80. Concurrent resolution authorizing a bust or statue of Martin Luther King, Jr., to be placed in the Capitol; to the Committee on House Administration.

By Mr. SCHEUER (for himself and Mr. ERLENBORN):

H. Con. Res. 81. Concurrent resolution providing for the printing of additional copies of certain committee prints with changes of the Select Committee on Population of the House of Representatives; to the Committee on House Administration.

By Mr. HUGHES:

H. Res. 166. Resolution to require the Federal Government to give proper consideration to the energy needs of all segments of the economy, including the travel and tourist industry; to the Committee on Interstate and Foreign Commerce.

By Mr. MOAKLEY:

H. Res. 167. Resolution to amend the Rules of the House of Representatives to extend the time limit for publication of committee rules; to the Committee on Rules.

H. Res. 168. Resolution to amend the Rules of the House of Representatives to establish an optional expedited procedure for mark-up of legislation, subject to certain restrictions; to the Committee on Rules.

H. Res. 169. Resolution to amend the Rules of the House of Representatives to eliminate duplicate cost estimates; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

77. By the SPEAKER: Memorial of the Legislature of the State of New Mexico, relative to conversion of wood and agricultural waste into fuel and other energy sources; to the Committee on Agriculture.

78. Also, memorial of the Legislature of the State of Arkansas, relative to trade and

diplomatic relations with Taiwan; to the Committee on Foreign Affairs.

79. Also, memorial of the Legislature of the State of Utah, relative to transfer of Federal lands to the State; to the Committee on Interior and Insular Affairs.

80. Also, memorial of the Legislature of the State of Utah, relative to wilderness designations; to the Committee on Interior and Insular Affairs.

81. Also, memorial of the House of Representatives of the State of Arizona, relative to proposed amendments to the McCarran-Ferguson Act; to the Committee on the Judiciary.

82. Also, memorial of the Legislature of the State of Idaho, relative to benefits for veterans of World War I, to the Committee on Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. AUCOIN:

H.R. 3136. A bill for the relief of Conrad E. Hermsted; to the Committee on the Judiciary.

By Mr. BARNARD:

H.R. 3137. A bill for the relief of William H. Spratling; to the Committee on the Judiciary.

By Mr. DORNAN:

H.R. 3138. A bill for the relief of Surip Karmowiredjo; to the Committee on the Judiciary.

By Mr. EDWARDS of California:

H.R. 3139. A bill for the relief of Pedro G. Feraro; to the Committee on the Judiciary.

By Mr. FARY:

H.R. 3140. A bill for the relief of Edward L. Simanek; to the Committee on the Judiciary.

By Mr. HANSEN:

H.R. 3141. A bill for the relief of Walter Mario Piccirillo; spouse, Emma Piccirillo; and sons, Mario Williams Piccirillo; and Roberto Piccirillo; to the Committee on the Judiciary.

By Ms. HOLTZMAN:

H.R. 3142. A bill for the relief of Michael Carl Brown; to the Committee on the Judiciary.

By Mr. LEVITAS:

H.R. 3143. A bill for the relief of Mirko Mark Sedlak; to the Committee on the Judiciary.

By Ms. MIKULSKI:

H.R. 3144. A bill to authorize the appointment of Col. Mary Agnes Hallaren, U.S. Army, retired to the grade of brigadier general on the Retired List of the U.S. Army; to the Committee on Armed Services.

By Mr. SHARP:

H.R. 3145. A bill for the relief of Kil Soo Kim; to the Committee on the Judiciary.

By Mr. ZEFERETTI:

H.R. 3146. A bill for the relief of Patrick A. and Wayne L. Thomas; to the Committee on the Judiciary.

By Mr. BARNARD:

H. Res. 170. Resolution to refer the bill (H.R. 3137) for the relief of William H. Spratling to the Chief Commissioner of the Court of Claims; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 10: Mr. HALL of Texas.

H.R. 15: Mr. CHARLES H. WILSON of California, Mr. SHANNON, Mr. ECKHARDT, Mr. MINETA, Mr. EVANS of the Virgin Islands, Mr. WOLPE, and Mr. GILMAN.

H.R. 27: Mr. FORD of Tennessee.

H.R. 117: Mr. KELLY, Mr. KINDNESS, Mr. WHITEHURST, Mr. SYMMS, Mr. HALL of Texas, Mr. WINN, Mr. PAUL, Mr. MCCLOSKEY, and Mr. MOTTL.

H.R. 333: Mrs. BOUQUARD, Mr. ROUSSELOT, Mr. CORCORAN, Mr. GLICKMAN, Mr. MARTIN, Mr. MCDADE, Mr. GOODLING, and Mr. DORNAN.

H.R. 684: Mrs. BYRON.

H.R. 806: Mr. DORNAN.

H.R. 809: Mr. BUCHANAN, Mr. ROBERT W. DANIEL, JR., Mr. GLICKMAN, and Mr. STARK.

H.R. 810: Mr. TRIBLE.

H.R. 989: Mr. LEE, and Mr. LENT.

H.R. 1309: Mr. ROBERT W. DANIEL, JR., and Mr. GLICKMAN.

H.R. 1609: Mr. LEHMAN, Mr. MOAKLEY, and Mr. HIGHTOWER.

H.R. 1745: Mr. BOWEN, Mr. LEWIS, Mr. PATTERSON, Mr. CLEVELAND, Mr. STOKES, Mr. KEMP, Mr. GRASSLEY, Mrs. FENWICK, Mr. FAZIO, Mr. GRADISON, Mr. GINGRICH, and Mr. JENRETTE.

H.R. 1913: Mr. SYMMS, and Mr. GUYER.

H.R. 1958: Mrs. HOLT, Mr. WHITEHURST, Mr. DANNEMEYER, Mr. LOEFFLER, Mr. CHAPPELL, Mr. NICHOLS, Mr. MYERS of Indiana, Mr. CLAUSEN, Mr. STUMP, Mr. SEBELIUS, Mr. LEE, Mr. HOPKINS, Mr. DEVINE, Mr. ROUSSELOT, Mr. PAUL, Mr. SHUMWAY, Mr. RUDD, Mr. KRAMER, Mr. EVANS of the Virgin Islands, Mr. WYLIE, Mr. THOMAS, Mr. CAMPBELL, Mr. MONTGOMERY, Mr. DUNCAN of Tennessee, Mr. ERDAHL, Mr. JEFFORDS, and Mr. ROBINSON.

H.R. 1971: Mr. BONIOR of Michigan, Mr. BUCHANAN, Mr. CARR, Mr. D'AMOURS, Mr. EDWARDS of California, Mr. GEPHARDT, Mr. GOLDWATER, Mr. HANCE, Mr. JEFFORDS, Mr. JENRETTE, Mr. LAFALCE, Mr. LLOYD, Mr. MARKEY, Mr. MCHUGH, Mr. NEAL, Mr. NOLAN, Mr. OTTINGER, Mr. PEPPER, Mr. SABO, Mr. VENTO, Mr. WHITEHURST, Mr. YOUNG of Alaska, and Mr. ZABLOCKI.

H.R. 2075: Mr. DORNAN.

H.R. 2076: Mr. GLICKMAN.

H.R. 2203: Mr. BEDELL, Mr. BONIOR of Michigan, Mr. CARR, Mr. CONYERS, Mr. CORRADA, Mr. D'AMOURS, Mr. DOWNEY, Mr. EDGAR, Mr. EDWARDS of California, Mr. ERTEL, Ms. HOLTZMAN, Mr. LAFALCE, Mr. MAGUIRE, Mr. MINETA, Mr. MITCHELL of New York, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. MURPHY of Illinois, Mr. NOWAK, Mr. PEASE, Mr. RANGEL, Mr. RICHMOND, Mrs. SCHROEDER, Mr. SEIBERLING, Mr. SOLARZ, Mr. VENTO, and Mr. WALGREN.

H.R. 2248: Mr. ANDERSON of Illinois, Mr. OTTINGER, Mr. KOSTMAYER, Mrs. FENWICK, Mr. DOUGHERTY, and Mr. CHENEY.

H.R. 2364: Mr. BEDELL, Mr. BOLAND, Mrs. BOUQUARD, Mr. BROWN of Ohio, Mr. CORCORAN, Mr. DASCHLE, Mr. DORNAN, Mr. DUNCAN of Tennessee, Mr. EVANS of Delaware, Mr. FITHIAN, Mr. GOODLING, Mr. HEFTEL, Mr. LEE, Mr. MAGUIRE, Mr. MOAKLEY, Mr. ROE, Mr. RUSSO, Mr. WHITEHURST, Mr. WINN, and Mr. WOLPE.

H.R. 2374: Mr. GORE, Mr. LUNDINE, Mr. UDALL, and Mr. WOLPE.

H.R. 2412: Mr. AKAKA, Mr. BARNES, Mr. BONIOR of Michigan, Mr. CONYERS, Mr. CORRADA, Mr. DOWNEY, Mr. DUNCAN of Oregon, Mr. EDWARDS of California, Mr. GARCIA, Mr. HARKIN, Ms. HOLTZMAN, Mr. HORTON, Mr. HUGHES, Mr. LEDERER, Mr. LOWRY, Mr. MCKINNEY, Mr. MITCHELL of Maryland, Mr. NOWAK, Mr. OTTINGER, Mr. PATTEN, Mr. PEPPER, Mr. SABO, Mr. SCHEUER, Mr. SEIBERLING, Mr. STARK, and Mr. RANGEL.

H.R. 2525: Mr. DORNAN.

H.R. 2654: Mr. EVANS of the Virgin Islands.

H.R. 2727: Mr. BEARD of Tennessee, Mr. HANCE, Mr. LUJAN, and Mr. WINN.

H.R. 2820: Mr. HINSON, Mr. MCKINNEY, and Mr. PASHAYAN.

H.R. 2852: Mr. PRITCHARD, Mr. ANDERSON of California, Mr. BEDELL, Mr. EMERY, Mr. GRISHAM, Mr. ADDABBO, Mr. MITCHELL of Maryland, Mr. DAVIS of Michigan, Mr. GORE, Mr. LUKEN, Mr. VENTO, Mr. DONNELLY, Mr. WOLPE, Mr. CORRADA, Mr. EDGAR, Mr. KILDEE, Mr. BONIOR of Michigan, Mr. MITCHELL of New York, Mr. MINETA, Mr. DERWINSKI, Mr. DOWNEY, Mr. CLINGER, Mr. COUGHLIN, Mr. BALDUS, Mr. SCHEUER, Mr. EDWARDS of California, Mr. DIXON, Mr. FROST, Mrs. SPELLMAN, Mr. DUNCAN of Tennessee, Mr. PEASE, Mr. NOLAN, Mr. GLICKMAN, and Mr. HOLLENBECK.

H.R. 3041: Mr. BROYHILL.

H.J. Res. 215: Mr. BOWEN, Mr. BURGENER, Mr. CORRADA, Mr. DERWINSKI, Mr. DIGGS, Mr. DUNCAN of Tennessee, Mr. FLOOD, Mr. FLORIO, Mr. FOUNTAIN, Mr. GRISHAM, Mr. HAWKINS, Mr. HORTON, Mr. JENRETTE, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEACH of Louisiana, Mr. MCHUGH, Mr. MOAKLEY, Mr. MOTTL, Mr. MURPHY of Pennsylvania, Mr. MURPHY of Illinois, Mr. PATTEN, Mr. PERKINS, Mr. ROE, Mr. RUNNELS, Mr. ST GERMAIN, Mr. SCHEUER, Mr. SOLARZ, Mr. VENTO, Mr. WALGREN, Mr. CHARLES WILSON of Texas, Mr. WAMPLER, Mr. WOLPE, Mr. DOWNEY, Mr. RANGEL, Mr. HUTTO, Mr. HUCKABY, Mr. DORNAN, Mr. AUCOIN, and Mr. GEPHARDT.

H.J. Res. 216: Mr. BOLAND, Mr. CORRADA, Mr. DICKS, Mr. DUNCAN of Tennessee, Mr. EDGAR, Mr. GUARINI, Mrs. HECKLER, Mr. JENRETTE, Mr. MURPHY of Pennsylvania, Mr. MYERS of Pennsylvania, Mr. PERKINS, Mr. ROE, Mr. ROUSSELOT, Mr. SCHEUER, Mr. ZEFERETTI, Mr. DORNAN, Mr. DOWNEY, Mr. MITCHELL of New York, Mr. NEAL, Mr. RANGEL, Mr. WOLPE, Mr. ALBOSTA, Mr. BRADEMAS, Mr. HOWARD, Mr. VAN DEERLIN, and Mr. GEPHARDT.

H.J. Res. 238: Mr. ADDABBO, Mr. BEARD of Rhode Island, Mr. BOLAND, Mr. BONIOR of Michigan, Mr. BRODHEAD, Mr. BUCHANAN, Mr. BURGENER, Mr. BUTLER, Mr. CLAY, Mr. COLEMAN, Mr. CORMAN, Mr. CORRADA, Mr. DIGGS, Mr. DODD, Mr. DOWNEY, Mr. DRINAN, Mr. EDGAR, Mr. ERDAHL, Mr. ERLENBORN, Mr. FAZIO, Ms. FERRARO, Mr. FINDLEY, Mr. FLOOD, Mr. FLORIO, Mr. FOUNTAIN, Mr. FROST, Mr. GORE, Mr. GREEN, Mr. GRISHAM, Mr. GUDGER, Mr. HAWKINS, Mr. HEFTEL, Mr. HOLLENBECK, Mr. HORTON, Mr. JENRETTE, Mr. JONES of North Carolina, Mr. KILDEE, Mr. KOGOVSEK, Mr. LAFALCE, Mr. LAGOMARSINO, Mr. LEE, Mr. LELAND, Mr. LUKEN, Mr. MCCLOSKEY, Mr. MCCORMACK, Mr. MCHUGH, Mr. MARKEY, Mr. MATSUI, Mr. MAZZOLI, Mr. MITCHELL of New York, Mr. MITCHELL of Maryland, Mr. MOAKLEY, Mr. MURPHY of Pennsylvania, Mr. MURPHY of New York, Mr. NEAL, Mr. PANETTA, Mr. PATTEN, Mr. PEPPER, Mr. PERKINS, Mr. PRICE, Mr. RANGEL, Mr. ROE, Mr. ROSENTHAL, Mr. RUSSO, Mr. SAWYER, Mr. SCHEUER, Mr. SIMON, Mr. SOLARZ, Mr. SPENCE, Mr. TAUKE, Mr. VAN DEERLIN, Mr. WALGREN, Mr. WAMPLER, Mr. WATKINS, Mr. WAXMAN, Mr. WEAVER, Mr. WEISS, Mr. WHITTAKER, Mr. CHARLES WILSON of Texas, Mr. WINN, and Mr. WOLPE.

H. Con. Res. 15: Mr. ERTEL, Mr. FAUNTROY, Mr. DIXON, and Mr. ALBOSTA.

H. Con. Res. 63: Mr. MCDADE, Mr. DANNEMEYER, Mr. FORSYTHE, Mr. LAGOMARSINO, Mr. ABDNOR, Mr. DORNAN, and Mr. DUNCAN of Tennessee.

H. Res. 138: Mr. TREEN.

PETITIONS, ETC.

Under clause 1 of rule XXII,

87. The SPEAKER presented a petition of the executive board, United Rubber, Cork, Linoleum and Plastic Workers of America, Akron, Ohio, relative to children's television advertising; to the Committee on Interstate and Foreign Commerce.

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 poltiical 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.●

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 socioeconomic 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 reexamined.

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.

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.●

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.●

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

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 anonymous 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 the 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 "hypocritical" 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 Montetary 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."

[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 possibiliy 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.