

SENATE—Wednesday, August 19, 1981

(Legislative day of Wednesday, July 8, 1981)

NOTICES OF HEARINGS

SENATE SMALL BUSINESS COMMITTEE

● Mr. WEICKER. Mr. President, I would like to announce for the information of the Senate and the public that the Senate Small Business Committee will hold 2 days of oversight hearings on the Small Business Administration's farm disaster loan program on September 9 and 10, 1981. The hearings will convene on both days at 9:30 a.m. in room 424, Russell Senate Office Building. For additional information, contact Mike Haynes, chief counsel for the committee, at 224-5175.●

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

● Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of public hearings before the Subcommittee on Energy and Mineral Resources.

On Friday, September 11, beginning at 10 a.m., the subcommittee will hold a hearing on S. 1542, a bill to amend the Mineral Lands Leasing Act of 1920.

On Tuesday, September 15, beginning at 10 a.m., the subcommittee will hold a hearing on S. 1516, to amend the Geothermal Steam Act of 1970 to expedite exploration and development of geothermal resources.

On Thursday, September 17, beginning at 10 a.m., the subcommittee will hold a hearing on S. 1457, S. 651, S. 466, and S. 383, bills to provide for the reinstatement and validation of U.S. oil and gas leases numbered OR-13713, W-46102, M-15450(ND), and M-16402(ND) ACQ., respectively.

On Tuesday, October 27 and Wednesday, October 28, beginning at 10 a.m., the subcommittee will hold oversight hearings to consider America's role in the world coal export market. The subcommittee will receive testimony with regard to the European countries on October 27 and with regard to the Pacific rim countries on October 28.

All of the subcommittee hearings will be held in room 3110 of the Dirksen Senate Office Building.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings, you may wish to contact Mr. Roger Sindelar of the subcommittee staff at 224-4236.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. McCLURE. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of public hearings before the Committee on Energy and Natural Resources.

On Thursday, September 10, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the full committee will hold a hearing to consider the nominations of Robert A. G. Monks, Victor M. Thompson, Jr., C. Howard Wilkins, and Victor A. Schroeder to be members of the Board of Directors of the U.S. Synthetic Fuels Corporation.

On Monday, September 14, beginning at 10 a.m. in room 3110 of the Dirksen Senate Office Building, the full committee will hold a hearing to consider the nominations of William A. Vaughan to be an Assistant Secretary of Energy for Environmental Protection, Safety and Emergency Preparedness; Rayburn D. Hanzlik to be Administrator of the Economic Regulatory Administration; and Dallas L. Peck to be Director of the Geological Survey.

Those wishing to testify or who wish to submit written questions for the hearing record should write to the Committee on Energy and Natural Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding these hearings you may wish to contact Mr. David Doane at 224-7144 or Mr. Gary Eilsworth at 224-7146.●

SUBCOMMITTEE ON ENERGY AND MINERAL RESOURCES

● Mr. WARNER. Mr. President, I would like to announce for the information of the Senate and the public the scheduling of a public hearing before the Subcommittee on Energy and Mineral Resources regarding the Surface Mining Control and Reclamation Act of 1977. This oversight hearing will be held on Wednesday, September 2, beginning at 10 a.m. at the Russell Building Auditorium on the Southwest Virginia Community College campus which is located on U.S. Route, 19, 3 miles south of Richlands, Va.

Those wishing to testify or who wish to submit written statements for the hearing record should write to the Committee on Energy and Natural Resources, Subcommittee on Energy and Mineral Resources, room 3104, Dirksen Senate Office Building, Washington, D.C. 20510.

For further information regarding this hearing, you may wish to contact Mr. Roger Sindelar at 224-4236 or Mr. Ron Andes at 224-3159.●

ADDITIONAL STATEMENTS

THE U.S.S. "OHIO"

● Mr. CHAFEE. Mr. President, as the Space Shuttle *Columbia* was landing in the desert after a flawless pioneer flight, another landmark achievement in American technology was waiting in the wings.

Just 2 months after the *Columbia* completed its astounding success, the U.S. Navy's first Trident submarine completed successful sea trials.

The completion of the U.S.S. *Ohio*, the Nation's first Trident strategic nuclear ballistic missile submarine, is a milestone in the history of this country's defense. It measures 560 feet—5 feet taller than the Washington Monument, if the ship were placed on its stern. It will carry 24 Trident missiles, each armed with up to 10 warheads, and will be manned by 154 officers and men.

The Trident, which will be delivered on October 31, was built by the 25,000 men and women of Electric Boat, which has facilities in Quonset Point, R.I., and Groton, Conn. These workers take pride in their design and construction of the *Ohio*, which will serve as our country's first line of defense, acting as an underwater deterrent to nuclear attack.

Built to replace the *Polaris* and *Poseidon* fleets, the Trident is the most survivable and effective submarine ever built. Along with the 688 class of attack submarine, the Trident will be the cornerstone of a strong sea-based defense of our Nation.

This year to date, Electric Boat has delivered three *Los Angeles*-class fast attack submarines: The U.S.S. *Bremerton*, the U.S.S. *Jacksonville*, and the U.S.S. *Dallas*. Three more *Los Angeles*-class submarines will be delivered this year: the U.S.S. *La Jolla*, the U.S.S. *Phoenix*, and the U.S.S. *Boston*.

The delivery of six major nuclear submarines to the U.S. Navy is a major development at this time, when the United States-Soviet strategic balance is in question. When we continue to debate the fate of the MX missile program, as well as development of a manned penetrating bomber, the Trident production line is open, having launched its first ship successfully.

Mr. President, I ask that the following two articles, one from the *Norwich, Conn., Bulletin*, and one from the *Readers' Digest*, be printed in the *RECORD*.

The articles are as follows:

[From the *Norwich (Conn.) Bulletin*, July 27, 1981]

CHEAPENING A TRIUMPH

The Space Shuttle blasted into the sky from Cape Canaveral early one Sunday morning for its trials above the earth. Half the nation witnessed the event on television.

The reusable spacecraft circled the planet for two days before making a picture-perfect landing on a California desert, to the amazement of the world.

America's technological ego and the spirit of the people soared with the shuttle's success. It provided a long-overdue flush of national pride.

The shuttle project's afterglow dispelled widespread public concern over the *Columbia*'s staggering cost overruns, years of delays and government ordered redesigns.

Months later, an event of equal national importance took place in eastern Connecticut, with far different public response.

No widespread acclaim emerged when another technological triumph, the sea trials of the *Ohio*, America's first Trident, took place.

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

The massive submarine slipped through the fog one early morning for two days at sea. The mission was shrouded in secrecy, mandated by the U.S. Navy, but news leaked out that the vessel performed nearly perfectly.

More flawlessly than the shuttle, according to some well-placed sources.

Neither the shuttle nor the Trident are bargains, from the standpoint of cost. But while the shuttle overran its federal allocation by a factor of 9, the Trident went to sea just percentage points above its original cost estimates.

Perhaps Admiral Hyman G. Rickover's harangue about Electric Boat poisoned the well prior to the Ohio's maiden voyage. Perhaps Navy allies on Capitol Hill, during the Seapower Subcommittee hearings, unleashed too many barbs against the shipyard.

One point stands out. The Ohio, for all its significance to future national security, didn't draw the attention given the Columbia despite, in many aspects, surpassing the space shuttle as a triumph of American enterprise and technological achievement.

Rather, the Trident program seems to be fair game for Navy and congressional cheap-shot artists who seem hell-bent on a mission to discredit the only shipyard capable of such accomplishment.

A case in point. . . .

In the most-recent issue of *Time* magazine, Adm. Rickover is quoted as telling a congressional committee, "They (workers and management at EB) don't care if they manufacture horse turds or ships."

We can't fathom why the admiral would make such statements.

Why would a national news magazine would print such a statement—two months after the fact?

The logic escapes us, other than the magazine was used as a conduit for a Navy compulsion to hold the shipyard, its employees and the Trident program itself up to national ridicule.

The last thing EB, eastern Connecticut or the nation needs is to have the shipyard continually tarred over the Trident program.

Trident was constructed in Groton—by thousands of men and women who live in the region.

Ignoring, downplaying and now ridiculing the significance of the Trident is an unacceptable low blow.

It is time for Trident to be recognized fully for what it really is: technology equal to or greater than the shuttle, and at cheaper delivery cost. It is also time for Rickover and his allies in the Navy and on Capitol Hill to offer cooperation rather than crude vituperation.

TRIDENT: DEADLY NEW DETERRENT

(By Joseph A. Harris)

When the Navy commissions the *USS Ohio*, expected later this year following extensive sea trials, America will get much more than just another nuclear-powered, missile-toting submarine. The 560-foot *Ohio* will be twice as big in tonnage as any other U.S. sub—and the most deadly. On board, her skipper will have at his fingertips the power to bring a total of 192 targets under nuclear attack.

Everything about this lethal leviathan is outside. Its 42-foot-wide hull could accommodate four city buses side by side. Its 90,000-horsepower nuclear reactor can propel it more than 400,000 miles—some 16 circumnavigations of the globe—at underwater speeds approaching 30 knots (35 m.p.h.). Equally impressive is the *Ohio's* price tag: \$1.2 billion. In all, the 15 Trident subs now planned, plus new missiles, and two large support bases, will cost taxpayers nearly \$30 billion—America's most expensive weapons program to date.

What are we getting for all that money? The first real improvement in our nuclear deterrence in a decade. Except for the air-launched cruise missile, Trident is the only major strategic system approved by Congress during the 1970s. Like Neptune's spear, Trident has three prongs: the sub itself, its long-range nuclear missiles, and its support bases for maintenance and crew training.

The Sub. Trident, the third generation of Fleet Ballistic Missile (FBM) submarines following *Polaris* and *Poseidon*, is significantly superior to them in every department. With its greater speed and range, Trident can operate in an area some ten times larger than previous subs. Sophisticated engineering reduces the telltale noise that sub searchers listen for. Longer patrols and shorter maintenance time in port mean that Trident subs will spend some 66 percent of their 30-year lifetimes at sea, compared with 55 percent for *Poseidon* subs.

The Missile. Each Trident will carry 24 missiles, compared with 16 for previous FBM subs. And the range of the Trident I missile is 4,600 statute miles, 60-percent greater than its predecessor the *Poseidon*, with each missile packing up to eight warheads. "This gives a single Trident more capability than ten *Polaris* subs," says Chief of Naval Operations Adm. Thomas B. Hayward.

The Trident I missile can reach to within striking distance of potential targets almost as soon as the sub leaves home port on Kitsap Peninsula, near Seattle. The missile can be prepared for firing in about 15 minutes—approximately the time it takes the sub to come up from its normal cruising level to launch depth. On the sub's back, a muzzle hatch swings up and open. Steam pressure pops the missile through the surface in a foaming geyser of sea spray, and the two-million-horsepower, first-stage rocket ignites. The eight hydrogen-bomb warheads can be independently aimed at different targets, and each is able to strike within a few hundred yards of dead center.

The new missile will serve not only the U.S. Navy but our British allies as well. The United Kingdom is planning to buy 100 Trident I missiles and spend \$4 billion to construct four subs to accommodate them. Says former British Defense Minister Francis Pym, "We need to convince Soviet leaders that even if they thought the United States would hold back as a conflict developed, the British force could still inflict a blow so destructive that the penalty for aggression would prove too high."

The Bases. Trident's third prong was ready July 1, when Naval Submarine Base Bangor went operational. Across Puget Sound from Seattle, the huge Kitsap base will be home port to the first squadron of ten Tridents. Returning from their 70-day patrols, the subs will be refitted here at the deepest dry dock the Navy has ever built. While the boats are being repaired and provisioned, their crews will be reunited with their families in handsome quarters set among towering firs. Having complete Trident support facilities at a U.S. site avoids the costs of renting a base abroad and of shuttling crews back to various locations to join their families.

Bangor has certain strategic advantages too. The majority of Soviet antisubmarine forces are concentrated in the Atlantic and Mediterranean, so putting Trident in the Pacific complicates the Russians' subdetection process and stretches their resources thinner. The Pacific site also uses Trident's greater speed and range to fullest advantage. But the Navy is not neglecting the Atlantic. Its second Trident squadron will be located at Kings Bay, Ga.

Completion of Trident's three prongs can come none too soon, for the program is nearly

2½ years behind schedule. (The *Ohio* was originally planned for delivery in April 1979.) Perhaps it was inevitable that such a gigantic project would have problems. From the start, Trident was engulfed in controversy, with critics in Congress and the Navy asking why a sub had to be so big and costly. The Navy conducted studies of possible alternatives before going ahead with Trident. No acceptable one was found, and a contract was awarded to the Electric Boat Division of General Dynamics Corp. in 1974.

The initial debate over Trident was followed by workaday problems once construction got under way. From the original \$800 million, the price of a single Trident sub shot up 50 percent to its present \$1.2 billion. "We never put together a sub of this size before," a Navy spokesman admitted. Another added, "We had difficulty with people, plans, production, material, scheduling."

New management and increased attention to recurring quality-control problems at Electric Boat seem to be getting Trident production on track. Eight vessels are under construction at its ten-acre yard beside Connecticut's Thames River, and there are plans to turn out three Tridents every two years.

In the field of anti-submarine warfare, the U.S.S.R. is making great strides, most notably production of "killer" subs designed to find and destroy ballistic-missile subs. But with the Trident's advanced sonar, superior speed and range, and its super-quiet running, the sub's crew is not likely to spend much time worrying about being found. Its 15 officers and 142 enlisted men will be more concerned with getting through the inevitable boredom of spending 70 days in a long metal cylinder where the temperature is always around 70 degrees Fahrenheit and the light is always fluorescent.

Even a common cold should be infrequent, thanks to air conditioning that scrubs the air of microbes. As compensation for being cut off from the sun—and rain and traffic jams—there is a new movie every day and plenty of popcorn—600 cans of its on a typical patrol.

The crew will sleep in roomy nine-man bunk areas. Each bunk has a stereo headset, and there are a study area and a gym on board. Says one young sailor who was selected for Trident duty, "Now I won't be in the middle of a passageway every time I jump out of bed."

The operational heart of Trident is the gray-green control center directly beneath the conning tower, or sail. So precise is the instrumentation that even at hundreds of feet below, the skipper will know exactly where the sub is. For one thing, he can "read" much of the ocean floor with sonar and compare its configuration with Navy charts. But mostly he will rely on computerized reports from the Ship's Inertial Navigation System (SINS). SINS contains accelerometers that measure the sub's movement with respect to true North. They are held in position by electrostatic gyroscopes—rotating beryllium balls the size of marbles, suspended in air by electromagnetism. The extreme precision of SINS is vital not only to navigation but also to precise missile targeting, which depends on pinpointing the exact launch position.

Submariners are a notoriously taciturn lot. If the captain and crew of the *Ohio*, along with those of other upcoming Tridents, worry about their awesome responsibilities, it does not show. Asked whether he is excited about being one of the first Trident skippers, Capt. Thomas A. Meinicke admits, "It's a choice assignment, but when you get down to it, a sub's a sub." As to the possibility of wreaking nuclear devastation, his answer is unhesitating: "If we have to push the button, then the whole deterrent system has failed."

Trident is America's strongest statement to date of that basic rule of the nuclear age: deterrence must not fail.●

THE MORAL MONETARY SYSTEM

● Mr. HELMS. Mr. President, the morality of money is not a commonly discussed subject. Yet, it seems to me that the constantly depreciating unstable currency system we have is, indeed, an immoral one.

Inflation is unjust.

The corruption of the most important economic standard in society—the dollar—is an unforgivable act committed by the Government.

On the Wall Street Journal editorial page of July 30, Lewis Lehrman comments on "the case for the gold standard."

His comments go to the heart of the issue and should be read by every member.

Mr. President, I ask that the Lehrman article be printed in the RECORD at this time.

THE CASE FOR THE GOLD STANDARD

(By Lewis E. Lehrman)

The U.S. dollar today is an inconvertible paper currency. But this is nothing new. In 1690, the Massachusetts Bay Colony promised a limited issue of 7,000 pounds in paper notes. But by 1714, the colony had issued 194,000 pounds worth, and the value of the paper pound had fallen 70 percent. Naturally, the politicians blamed the currency depreciation on the people, they being "so softish as to deny credit to the government."

During the Revolution, the Continental Congress financed the war with paper money. "Do you think, gentlemen, that I will consent to load my constituents with taxes," said one member of Congress "when we can send to our printers, and get a wagonload of money, one quire (25 sheets) of which will pay for the whole?"

Congress issued \$2 million worth of continental currency in early 1775. At first, the law required two Congressmen to sign and number each note—a sunlight procedure that much appeals to me. But that implicit restraint limited the number of paper notes, and the issuing technique was soon changed. By 1779 Congress had issued \$200 million in continental currency and its purchasing power had fallen to 1/100th of gold's.

American patriots suffered most of the depreciation, wrote William Gouge, President Andrew Jackson's financial adviser, since they accepted and held the paper money. "The Tories . . . made it a rule to part with it as soon as possible." More than two centuries later, we still hear the phrase "not worth a continental."

PAPER MONEY

During the Civil War, both North and South printed paper money. The Union issued \$450 million worth, and the price level more than doubled. Every American knows what happened to Confederate paper money.

In our time, President Nixon officially uncoupled the last link between the dollar and gold. The U.S. currency became once again an irredeemable paper money issued at will by the government. Since that act in 1971, the money supply has more than doubled, and so have prices.

Irredeemable paper money has almost always been accompanied by unbalanced budgets, high inflation and high interest rates.

But the true gold standard has been associated with balanced budgets, reasonable price stability and low interest rates. Paper money has been the handmaiden of war, protectionism and big government. But the gold standard was the symbol of peace, free trade and limited government.

At one time, American companies could sell 100-year bonds paying 4 percent interest. Because of the gold standard, Americans saved and lent their savings for generations to growing corporations. People saved because the gold dollar's purchasing power did not decline. The price level was no higher in the 1930s, when we left the domestic gold standard, than it had been under President Washington.

Today, we must decide whether to have a nominal paper dollar or a real dollar, defined by its weight in gold; whether to have a budget balanced at current tax receipts, or continued deficits.

Establishing the gold standard would by itself balance the budget. One trillion dollars in national debt will cost the Treasury about \$100 billion in interest payments next year, at about a 10 percent average annual interest rate.

Under the gold standard, the national debt could be refinanced at an interest rate of 5 percent or less, thus saving at least \$50 billion. David Stockman estimates the 1982 deficit at approximately \$45 billion.

The road to the balanced budget is paved with the gold standard.

To choose the gold standard and the balanced budget is to choose stable prices, low interest rates and economic growth. To some, that choice seems too simple—a prime reason many economists, politicians, and intellectuals reject the gold standard. Even a balanced budget is too straightforward for them. They want more complex institutions and problems to manipulate.

But a gold-based currency is the only money worthy of a free people. Most Americans cannot afford sophisticated financial and tax advisers, nor an economist to figure out the Fed's actions. Gold money, on the other hand, can be easily understood by everybody, and working people can control the quantity they desire. People, free to choose, decide for gold, because it is democratic money.

Gold is also the best co-ordinator of a world market order. For centuries gold has been a common international currency. A gold dollar would benefit all nations, because there is only one economy, the global economy. Through the mechanism of arbitrage, the prices in all national economies are linked. This is, of course, a good thing. It leads not only to the maximum amount of individual liberty, but also to the maximum production of goods and services, to the special benefit of the poor. To choose the gold standard is to choose openness over isolation.

Inflation is immoral as well as an economic problem. The gold standard, being a human institution, is imperfect. But it is the least imperfect of all monetary institutions. Paper currencies and unbalanced budgets are dishonest and disorderly. The depreciation of the dollar deranges the movement of relative prices and interest rates around the world, and it causes unemployment through misdirected investments and uncertainty.

Above all, inflation fraudulently transfers hundreds of billions of dollars from the weak and honorable to the slick and well-placed. This wealth transfer—from the thrifty to the speculator, from the small businessman to the giant government contractor, from the saver to the spender, from the aged and poor to the rich and powerful—violates our reli-

gious heritage, makes a mockery of honest work and erodes our faith in constitutional government.

Today, interest rates are at the highest levels in American history: higher than during the Civil War, when the very life of the nation was in question. The real value of the average worker's paycheck is 14% less than 10 years ago. Small businessmen are being crushed by government bond sales, the result of federal deficits. At present interest rates, Americans can no longer afford to borrow money for a car or a house. They are not consoled by government officials who preach sacrifice for working people while spending more on the public sector.

ALMOST IMPOSSIBLE

The Dow Jones average is 52% lower, in real terms, than in 1971. The bond market is 61% lower, and most companies find it almost impossible to raise long-term capital.

As a remedy we are offered austerity and monetarism. But these well-meaning policies will not work here, any more than in Margaret Thatcher's Britain, where in two years they have doubled unemployment to 11.8%. Compassionate and enterprising Americans reject such an outcome here.

What America needs is a policy of financial order, the Reagan tax program and economic growth. That is why the establishment of the U.S. Gold Commission by Congress was so timely. The commission will consider, in the words of the Helms-Paul Amendment, what role gold should play "in the domestic and international monetary systems."

The National Monetary Commission of 1908 led to the creation of the Federal Reserve System in 1913. The Gold Commission could be as significant, as its work inspires a national debate about the choice between paper money and the gold standard. There is nothing like the free market to determine the real value of a product or idea.

As in the marketplace of ideas, so in the world of money: Now every American must discover again what is false, and what is true.●

PRESQUE ISLE COMMEMORATES "DOUBLE EAGLE II" VOYAGE

● Mr. MITCHELL. Mr. President, it is my privilege to join the community of Presque Isle, Maine, to honor three American heroes. Three years ago, on August 11, 1978, balloonists Maxie Anderson, Ben Abruzzo and Larry Newman took off in the *Double Eagle II* from Presque Isle, Maine, for a journey that would make history.

Lifting off from Merle and Alice Sprague's field, which is next to a potato field, before a crowd of 11,000 cheering people, these three men set off to do what no men had done before: cross the Atlantic Ocean in a balloon.

In honor of this flight, the Spragueville Extension and the Presque Isle Chamber of Commerce sponsored an anniversary celebration on August 11, on the Sprague field. Students of the Northern Maine Vocational Technical Institute have constructed an 11-story high commemorative balloon, which is now displayed on the field, at the site of the take-off.

The three men braved severe weather conditions which forced them to throw everything but bare essentials overboard as ballast. But despite the incredible

odds against them, Anderson, Abruzzo, and Newman were able to find the *Double Eagle II* in Misery, France, on August 17, 1978—ironically, next to a potato field.

I congratulate Maxie Anderson, Ben Abruzzo and Larry Newman of the *Double Eagle II* for their heroic deed. The citizens of Presque Isle, Maine, and indeed the entire country, can take great pride in this historic event.●

CHAIRMAN DIRK F. MUDGE

● Mr. ANDREWS. Mr. President, recently I was visited by Dirk F. Mudge, Chairman of the Council of Ministers of the Government of South West Africa/Namibia. Namibia is a territory under the Republic of South Africa, similar to our own U.S. territories of the Virgin Islands, Puerto Rico, and Guam. It was mandated to Great Britain by the League of Nations in 1920, and when South Africa became independent in 1961, Namibia continued under South African jurisdiction until such time as it achieves full independence on an internationally acceptable basis.

It is significant to me that Mr. Mudge was elected as Chairman of the Council of Ministers by the 12 members, 10 of whom are black. He tells me that since December 1978, Namibia has had black majority rule, on a one man, one vote, universal adult suffrage basis. Because of the failure of the United Nations to develop an acceptable plan to hold elections in 1978, the internal political parties decided that they had to keep their commitment to the people of Namibia to hold elections. As a result, the Namibian people went to the polls and elected a 50-member National Assembly which exercises full legislative authority. The Council of Ministers has been selected by the National Assembly from its elected members to exercise executive authority in the Territory.

As a member of the Senate Appropriations Committee, I am concerned with the fact that the United Nations continues to help finance activities of various terrorist groups, including the South West Africa People's Organization (better known as SWAPO). Chairman Mudge tells me SWAPO, as a Soviet-bloc terrorist organization, is engaged in active efforts to intimidate the people of Namibia into supporting and electing a SWAPO government. Each year U.S. taxpayers contribute more than \$700 million in the United Nations' budget—25 percent of the total. Not a single dollar of U.S. taxpayer money should be used by United Nations to finance the operations of SWAPO or any other terrorist group. Chairman Mudge has asked that the U.S. Congress include in our appropriations bills a prohibition against U.N. financing of terrorists anywhere, anytime, or for any purpose. He tells me there can be no free and fair elections in Namibia until the United Nations withdraws its support from SWAPO. Because of the interest of U.S. taxpayers and my colleagues in the U.S. Senate in helping Namibia toward full independence and sovereign recognition, I ask

that Chairman Mudge's letter to me be printed in the RECORD.

The letter follows:

GOVERNMENT OF
SOUTH WEST AFRICA/NAMIBIA,
August 4, 1981.

HON. MARK ANDREWS,
U.S. Senator,
Senate Office Building, Washington, D.C.

DEAR SENATOR ANDREWS: The people, the political parties, and the people's duly elected government in Namibia strongly support President Reagan's declared policy of opposition to Soviet sponsored terrorism and his refusal to negotiate with terrorists. The black civilian population in the northern part of our country has been under more or less continuous terrorist attack by Sam Nujoma's Communist-bloc terrorists of the South West Africa People's Organization—better known as SWAPO.

The people of Namibia hope the United States will take leadership among the Western Five (United States, West Germany, Canada, France, England) to compel the removal of the SWAPO terrorist bases which are now given sanctuary by the government of Angola. From these Angolan bases, SWAPO terrorists cross the northern border of Namibia and plant Russian made landmines in our highways, fire Russian-made mortar weapons into living compounds, kidnap Namibian school children and carry them across the border to SWAPO headquarters where they are impressed into guerrilla military duty, set fire to food stores in Namibia, and extort money from Namibian shopkeepers on threat of murder and arson against Namibian people and property in the area.

We want the representatives of the Western Five who are negotiating our independence to know that the duly elected representatives of the Namibian people in the internal political parties insist that they be consulted and be permitted to participate in any decisions affecting the future of Namibia. There can be no fair and free elections in Namibia until (1) the SWAPO bases in Angola have been closed down and the SWAPO terrorists have been removed, (2) the Cuban soldiers who maintain the Marxist government in power in Angola have been sent back to Cuba, (3) the United Nations withdraws its financial support from SWAPO, (4) the United Nations withdraws its preposterous and farcical recognition of SWAPO as the "sole and authentic" representative of the people of Namibia, (5) the United Nations ends permanent observer status at the U.N. it now grants to SWAPO, (6) and until appropriate guidelines have been adopted by the internal parties and the people of Namibia through their duly elected representatives.

There are no circumstances under which we will permit a Soviet-sponsored government to be imposed on the people of Namibia or allow the Kremlin's flag to fly over our capital city of Windhoek. There are no circumstances under which the duly elected internal party representatives of the Namibian people will authorize or participate in an election which is not based on constitutional principles adopted by the Namibian people—an absolute essential if we are to avoid civil strife. There are no circumstances under which an election can be held under the auspices of the United Nations as long as it continues to support the SWAPO terrorists financially and through recognition. There are no circumstances under which we will permit U.N. troops to enter Namibia as long as these troops are perceived by some of the people of Namibia as being supporters of the SWAPO terrorists.

The United States and the free world have an important national security interest in maintaining the freedom and independence of Namibia. We do not intend to make a

unilateral declaration of independence from South Africa, and we want full independence at the earliest practicable time, coupled with sovereign recognition by the community of nations. However, we will not have a false independence thrust upon us which results in a Soviet-bloc take over our country and its resources. We are well aware that the Communist-bloc would like to gain control of Namibia and of our vast uranium reserves and other mineral resources as well as our deep water port at Walvis Bay.

We ask the people and Government of the United States to draw the line and stop further Soviet expansionism in Africa at the northern border of Namibia—surely by now the free world will have learned its lesson and will have had enough of Russian-sponsored "liberation" movements designed to add more territory and mineral wealth to the Soviet Empire. We have one man one vote majority government now as a result of our 1978 elections. We will not give up our right of self-determination by allowing a Soviet-bloc SWAPO government to be forced upon us. We have chosen freedom, and we hope the United States will help us maintain it.

Very truly yours,

DIRK F. MUDGE,
Chairman, Council of Ministers, Government of Namibia.●

SOVIET HUMAN RIGHTS VIOLATIONS CONTINUE IN UKRAINE

● Mr. HEINZ. Mr. President, I am unhappy to report that the number of Ukrainians arrested by the Soviet Government since the beginning of the Madrid Conference last November has been increasing. These human rights violations cannot be permitted to continue and we must demand compliance with the Helsinki Final Act in Ukraine.

Unfortunately, the repressive Soviet policies against the Ukrainian people are worsening. Twenty-seven Ukrainian Helsinki Monitors were recently arrested and sentenced. Ivan Kandyba, the last free member and one of the founders of the Ukrainian Helsinki Group, was arrested on March 24, 1981 and is awaiting trial for unknown charges.

The World Congress To Free Ukrainians (WCFU), representing approximately 2 million people of Ukrainian descent in North and South America, Western Europe, and Australia, has been monitoring the human rights situation in Ukraine and has consistently criticized the Soviet human rights violations. The group recently completed a study entitled "Ukraine and the Helsinki Accords: Soviet Violations of Human Rights, 1975-1980," which discusses the repeated violations by the Soviet Union of the Helsinki Final Act. The documents include verified lists of Ukrainian citizens imprisoned for political and religious activities in the last 5 years.

Four specific requests were made by the WCFU of the governments of the countries participating in the Madrid Conference. These included demanding that the Soviet Union immediately release the imprisoned members of the Ukrainian Helsinki Group and other human rights spokesmen. They also asked that the government of the U.S.S.R. terminate the imprisonment of innocent people for simply expressing their political or religious beliefs and

permit freedom of religious worship in Ukraine. The fourth request demanded that the Soviet Union remove emigration restrictions for all people, regardless of nationality, religion, or political persuasion.

The WCFU and other courageous supporters of human rights in Ukraine are to be commended for their hard work and dedication in their ongoing struggle for freedom for the Ukrainian people. The pressure of world public opinion must be maintained and we must continue to demand compliance with the Helsinki Final Act in Ukraine. These violations of fundamental human rights cannot be tolerated, and our Government must recognize and denounce the repressive Soviet policies. ●

OUTSTANDING PERFORMANCES BY RHODE ISLAND PUBLIC SERVANTS

● **Mr. CHAFEE.** Mr. President, we Americans too often take for granted the exceptional services performed by public safety personnel in our cities and towns. Unfortunately, the daily risks encountered by these men and women frequently go unrecognized.

As examples, I would like to recount the experiences of three individuals from different communities in my own State of Rhode Island.

Howard M. (Bucky) Sheats is a patrolman in the town of Cumberland.

He was on duty on a recent Sunday evening when he received a call for assistance from a fellow officer sent to investigate a report of a gang fight behind a local school.

As the first officer arrived, a car sped by him, and he radioed Officer Sheats. The car struck a utility pole, and the first officer arrested one occupant, while Mr. Sheats pursued the other three. One was caught, but two jumped into the Blackstone River.

Without regard for his own safety, Officer Sheats jumped into the river in an attempt to rescue a 15-year-old young man who was unable to reach the other side.

Fighting the current and the cold water, he sought to reach the boy. Unfortunately, he was unable to do so, but he refused to quit until he was totally exhausted. Police and firemen finally persuaded him to grasp a life-ring thrown from shore and accept rescue himself.

At 3 p.m. the next day, the boy's body was recovered by a U.S. Navy diver.

Rene Coutu is a lieutenant with the Central Falls Fire Department.

He recently responded to an alarm for a fire in a seven-unit apartment house. Bystanders alerted him to the fact there were a woman and a 3-year-old child stranded in a second floor apartment. He climbed a ladder in an effort to reach them, but an explosion threw him to the ground, and he suffered a broken jaw, broken left arm, and cuts and bruises.

The happy part of this incident is that the child was dropped safely from a window into the arms of another firefighter. The woman died in the blaze.

Donald R. Casanta, Sr., was a patrolman with the Warwick Police Depart-

ment and proud of his job. In addition, he was active with the Police Athletic League and other youth organizations.

He was on duty on a Saturday afternoon when a call was received about a minor accident on Interstate Highway P-37. Patrolman Casanta was dispatched to direct traffic around the area.

It was what could be considered a routine assignment without a great element of danger. However, another driver sought to speed by the scene and struck Patrolman Casanta full force. He was thrown off the highway and over the guard rail. Despite efforts by his fellow officers to assist him, he was pronounced dead at Kent County Hospital.

What had seemed to be a minor incident on a quiet summer afternoon had become Don Casanta's final tour of duty.

Suddenly, Mrs. Casanta was a widow with two fatherless children.

Mr. President, these three seemingly unrelated occurrences illustrate graphically the daily hazards which are part of the lives of those men and women who serve in public safety organizations. They are by no means unique. Such events take place every day, not only in Rhode Island, but throughout the Nation.

By calling to the attention of my colleagues the selfless efforts of Patrolman Sheats, Fire Lieutenant Coutu, and Patrolman Casanta, I mean to pay tribute not only to them but to all who serve all of us in local, State, and Federal law enforcement and firefighting organizations.

May we never again take for granted the protection which they provide. ●

STUDY REVEALS BROAD BUSINESS SUPPORT FOR EXPORT TRADING COMPANY LEGISLATION

● **Mr. HEINZ.** Mr. President, the New England Congressional Institute recently conducted a month-long survey involving 650 businesses and banks in the six New England States on the export trading company (ETC) legislation. The respondents included manufacturing and service firms, banks and export managing companies. The following information highlights the overall favorable response of groups from the aforementioned categories to proposed ETC legislation:

First, manufacturing and service firms show a keen interest in legislation which could allow them to increase their export potential. Eighty-nine percent of the responses in the manufacturing and service sector came from firms with less than \$50 million in annual sales and less than 500 employees. Fifty percent of all survey respondents currently export less than 10 percent of their sales. While 80 percent of the respondents had no detailed working knowledge of the ETC legislation, over half expressed a desire to utilize ETC services: 76 percent needed expertise in marketing, while 69 percent indicated a need for financing expertise.

Second, banking sector respondents were small- to medium-sized full service banks of which 71 percent had assets of less than \$450 million and 38 percent had assets of less than \$50 million. The survey revealed that large metropolitan

banks openly support legislation to allow bank control of ETC's. Few bankers surveyed demonstrated awareness of the specific provisions of the ETC legislation; however, 100 percent of the surveyed banks stated that banks should have the option to invest in and control ETC's. Ninety-two percent of all respondents assumed that larger banks already active in international trade transactions would be the primary initiators of ETC's, while small banks hoped to use their correspondent relationships with city-based banks to offer extended trade-related services to their clients. Eighty percent of the bank respondents stated that the S. 734 antitrust provisions were sufficient to avoid giving the large banks and companies an unfair competitive advantage. All of the bankers' statements suggested that decisions about relinquishing corporate control would be based upon individual circumstances after the legislation is complete.

Third, export management companies operating in New England responded positively to ETC legislation: 73 percent surveyed indicated that they would want to be certified as an ETC with the Department of Commerce. Over half of the respondents indicated that they would like to cooperate with a bank in a joint venture ETC under a specific contractual agreement. One-hundred percent of those polled indicated they felt that the ability to offer direct financing to their clients would increase their sales: 57 percent expected an increase of over 25 percent, while 36 percent felt that this capability would increase their sales by 11 to 25 percent.

These survey results are clear indicators of the broad base of support that exists for ETC legislation. We must continue our efforts to improve domestic export performance and reduce our trade deficit. The ETC legislation is an important step to help promote U.S. exports in order to increase U.S. competitiveness in the world marketplace. ●

SUCCESSOR GENERATION

● **Mr. HEINZ.** Mr. President, I call my colleagues' attention to the following commentary on the "Successor Generation" problem that troubles the Western Alliance. It is a companion piece to my July 16 *Record* statement.

Tensions over the direction of East-West relations, arms limitation talks, deployment of strategic weapons, and trade and economic questions are making the news these days. But a fundamental problem underlies the more visible pressures creating divisions within the Western Alliance. Many of the rising young leaders in the Western democracies suffer from historical amnesia, focusing too often on the relatively minor topical differences that separate us and not on the cultural and historical bonds that unite us.

As the United States sets out in a new foreign policy direction, it is high time we in the Congress and our counterparts in the Reagan administration realize the full dimensions of the successor generation problem. One ramification is the alarming strength of pacifist sentiment

in the Western democracies and another is the apparently increasing vulnerability of Western Europe to "Finlandization." Too many European and Japanese young people who lack a sense of history and a sense of cultural kinship with the United States see little difference between the United States and the Soviet Union. I fear that we have not yet seen the full implications of this historical and cultural oblivion.

The answer is largely a matter of information and education. I call on my colleagues and the administration to develop a strategy to deal with the problem—and to begin by reading the penetrating analysis by David Broder that follows:

[From the Washington Post, July 12, 1981]

FADING MEMORIES THREATEN THE WEST
(By David S. Broder)

OXFORD, ENGLAND.—I don't know what President Reagan will hear when he meets with allied leaders in Ottawa in a week, but I suspect the talks won't convey the full tale of what lies beneath the troubled state of the Western alliance. They couldn't, because the most critical voices will not be heard there.

That is the impression left from separate conferences here and in Berlin of groups of about three dozen European parliamentarians, politicians, educators and journalists and their American counterparts. At those meetings of the Aspen Institute Berlin and the Atlantic Association of Young Political Leaders, we heard the following things, not all of them mutually consistent:

1. There is a growing potential of crisis within the alliance, keyed to the deepening doubts in Europe about the wisdom of American policy and the prudence of seeking security primarily through military efforts to deter the Soviet nuclear threat. The skepticism is most evident among younger people—the so-called "Successor Generation" to those now in power, who inherited their leadership from the original architects of the postwar alliance. It centers now on the question of deploying medium-range nuclear missiles in Europe while delaying arms talks with Russia, but it represents deep currents of religious as well as political belief and can be ignored only at peril.

2. At root, some say, the challenge is cultural and generational. It reflects the young Europeans' boredom with the Cold War and the suspicion that it is a relic of their parents' fixation.

Or it represents a failure of permissive education systems on both sides of the Atlantic to impart the lessons of history to these youths. A German professor sees it as a healthy reaction in Freudian terms, a necessary revolt against the "father figure," Uncle Sam. A French politician says it represents the ambivalence of the young about the values of materialism, the very concept of progress. In any event, the argument is not between the United States and Europe but between the generations.

3. Alternatively, at root the problem is economic. "We have our internal SS20s," a Frenchman says, referring to the Soviet missiles targeted on Western Europe. "They are called inflation and unemployment." A British Tory MP reports that unemployed youths in Liverpool mix "ban-the-bomb" shouts with their imprecations against the bosses and the cops. A German says that young people feel that just as their governments have lost control of their economies they will lose control of the weapons they are eager to build. A countryman asserts that unions fear that Reagan's "reverse redistribution" policies may be adopted as the model for Europe. In any case, a veteran American

diplomats says, the threats of trade wars or oil-access rivalries dwarf the differences over military strategy.

4. Some would like to believe the problem is Russia. What is shaking Europe, they say, is nothing more complicated than naked fear—fear engendered by the realization that the Soviets have upset the military balance in their own favor and now have the capacity to reduce Europe's cities to smoking ruins. Others think the Soviets are shrewdly manipulating European opinion by promoting the "peace" movements and by propagandizing in ways that suggest they are "reasonable" and the Americans intransigent on arms control.

5. Many assert the problem is not anti-Americanism but anti-Reaganism. Some of them are honest enough to concede that six months ago, they would have used Jimmy Carter's name instead of Reagan's. But despite the differences in the policies and personalities of the two presidents, they see a common denominator: an uncertain, ill-defined approach to foreign policy, symptomized by sudden swerves of policy. To them, Reagan represents high interest rates, minimization of human rights concerns, an effort to drag the Third World into the Cold War arena and a slowdown if not an outright sabotage of nuclear arms negotiations. "The answer to anti-Americanism," says a Dutch parliamentarian, "must be found in America."

6. If there is a problem, others assert, it is no one's "fault." Nations must operate their foreign policies on the basis of interests, not sentiments, and in some areas, Europe's and the United States' interests just diverge. Europe has profited from trade with the Eastern bloc since the beginning of detente, and is understandably more reluctant to see it end. Europe has its own economic and political links to the Arab nations and the Third World in general. It cannot accept that NATO must function as monolithically in regard to those countries as it does toward Russia. The alliance will be all right, these Europeans maintain, so long as there is tolerance for the inevitable differences that will arise among allies.

7. Finally, there are a few who say the whole "problem" is a fantasy, a concoction of Soviet propaganda, or a few alarmists, or a European press some of whose members may be projecting their own hostility to the United States. All three parties in Germany—a focus of the current concern—espouse the alliance as the keystone of their foreign policy, a German diplomat calmly declares. Opinion polls show the United States still by far the most admired foreign country.

In France, where anti-Americanism is nothing new, the recent campaigns were singularly devoid of such expressions, a French journalist contends, and President Mitterrand has given the mildest of rebukes to American criticism of his appointment of Communist Cabinet members—an impertinence which no U.S. president would tolerate from an ally. As for England, the Thatcher government is eagerly buying Trident missile submarines, and the best known names in the Labor Party broke ranks rather than accept the left-wing "unilateralism" of those now in the ascendancy. So what's to worry? The "Dutch disease"—the possible rejection of new "theater nuclear forces"—can hardly infect all of Europe.

After listening to this talk all the Junior Common Room at St. Peter's College here, or the villa that Aspen has built on the lakeside site of Joseph Goebbels' former residence, one can grow more than a bit confused.

But the most dangerous course for American policymakers, I came away believing, would be to accept the last view, the counsel of those who say there is no cause for concern. I say that because the most urgent voices—the most critical and passionate—

were those of the politicians in their 30s, and they are the ones best qualified to point where Europe may be headed in the future.

It is clear that the tensions which made a John J. McCloy say, "I have never been as concerned about the alliance as I am today," are at least in part generational in their origins and expression. "Every sixth-former (16- to 19-year-old) I meet is wearing a CND (Committee for Nuclear Disarmament) button," Chris Patten, a British Tory MP, said at lunch. His colleague, David Hunt, a defense specialist in Parliament, told the conference here that the young people in his Merseyside district "are agnostic, anti-structuralist, almost anarchic in their views and responsive only to broad sentiments like 'peace.' I'll go to a meeting of young blacks in Liverpool 8, where youth unemployment is about 36 percent, and in the middle of talking about jobs, they'll say, 'Oh, by the way, when are we going to get rid of the nukes?' It seems like an irrelevancy to me, but to them, 'nukes' are part of the 'arrangement' of society that they reject."

At the Berlin meeting, Jakob Kohnstamm, a 30-year-old newly elected member of the Dutch Parliament, said, "Anti-Americanism is not the problem; it's really more of an international generation gap. We don't see government bringing the economic solutions we want and there is fear that nuclear deterrence is creating its own problems. We all agree that the SS20s are a threat, but we think it is ridiculous to build up our destructive power to the point we can kill every Russian three or four times."

"Do you and your friends ever talk about Hitler's exploitation of the military imbalance?" one of the older conferees asked in a sharp tone.

"The balance of power is not irrelevant," Kohnstamm replied disdainfully. "But being able to kill a person once is enough. Why should I have the power to kill him three or four times?"

As that exchange indicated, even in the artificially polite atmosphere of the conference rooms, far from the demonstrations or the amplified oratory of the antinuclear rallies, like the church-sponsored *Kirchstage* that drew more than 100,000 people, many of them youths, to Hamburg late last month, there was a real edge to the generational exchanges.

When Karlheinz Schonauer, the paid executive director of the youth wing of Germany's ruling Social Democratic Party, joined the Berlin conference, the atmosphere changed. The young Socialists had just repudiated Chancellor Schmidt's policy of commitment to 1983 deployment of medium-range missiles in Europe. Schonauer arrived just as McCloy was warning that "anti-Americanism in Europe" could trigger a go-it-alone response in Congress and the administration.

"It's not anti-U.S.," Schonauer corrected the American, who is old enough to be his grandfather, it's anti-U.S. policy. You speak of 'the free world,' but there are very different interpretations of that phrase. Alexander Haig's view on right-wing regimes makes some young people think that if his policy had been in effect 40 years ago, the U.S. would have been allied with Hitler instead of opposing him. The medium-range missile raises the spectacle of a 'winnable' nuclear war being fought in Western Europe. Many, many of our young people are afraid of that, and their fear feeds the new peace movement."

The older generation of Germans—diplomats, politicians, professors—were pained, incensed, embarrassed by Schonauer's words. "My party is trying to teach history to our young people," said one Free Democratic member of the Bundestag, with an expres-

sion that suggested, "You see what we are up against."

But what they are really up against is the passage of time. World War II, the Marshall Plan, the NATO alliance, the Berlin airlift, even the Berlin Wall—a few miles away—were all before the young people's time.

As Karsten Voigt, a predecessor of Schnauer in the youth job who is now a sometimes critical young supporter of Schmidt in the Bundestag, said, "It is important to understand what lies behind the alienation of our youth. You cannot expect young Catholics to support U.S. policy in El Salvador. You cannot expect young Protestants to support his [Reagan's] policy in South Africa. You cannot expect our environmentalists to applaud James Watt, or our trade unionists to praise the cutbacks in social programs in the U.S. We need the freedom to try to influence each other, without condemning each other as we do it."

A member of Schmidt's government, who may not be identified by name, said toward the end of the Berlin meeting that "my impression is that the interdependence of Germany, Europe and the U.S. is much more complicated and critical than I had realized. There are such changes taking place that we cannot afford to take things for granted."

And here at Oxford, a few days later, David Hunt, the mid-thirtysish Tory MP, said, "I hear all this concerning about the 'Successor Generation.' I'd guess I'm what they're talking about. And I want to tell you, there's a lot smaller gap between me and the generation now in power than there is between me and the young people I meet when I go home to Liverpool—the ones in their 20s. If the policies were hard to explain to us, think what it's going to be like to explain them to them."●

STRONG MULTIFIBER ARRANGEMENT WILL AID DOMESTIC KNITWEAR INDUSTRY

● Mr. HEINZ. Mr. President, the American knitwear industry is being seriously injured by imports. The number of imported sweaters as well as knit shirts and blouses has been growing steadily in recent years, leading to increased unemployment rates in the domestic knitwear industry and lost business for thousands of Americans across the country. New foreign suppliers have invaded the domestic market, joining with the existing low-cost suppliers to contribute to the 1980 trade deficit for knitted outerwear overall of \$1,650,000,000.

The multifiber arrangement governing world trade in these products, which expires at the end of this year, must be strengthened in order to reduce the current onslaught of foreign products in the knitwear industry as well as many others. A coherent, aggressive negotiating strategy is needed now in order to accomplish our objectives, preserve American jobs, and resolve this important trade policy issue for American industry.

I recently received a detailed letter from Stanley Matzkin and George Vargish, president and chairman of the board of the National Knitwear and Sportswear Association, respectively, which describes some of the current problems in the industry. I ask that the letter be printed in the RECORD.

The letter follows:

NATIONAL KNITWEAR &
SPORTSWEAR ASSOCIATION,
New York, N.Y., July 24, 1981.

Hon. JOHN HEINZ,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR HEINZ: The knitwear import crisis is now. More than half of all sweaters and almost one-third of the knit shirts and blouses sold in our country are imported. Five-hundred-forty-three million, yes, 543,000,000 of these garments alone were imported in 1980. The 1980 trade deficit in sweaters was \$706,000,000 and for knitted outerwear overall was \$1,650,000,000.

These imports mean lost jobs, wages and tax revenues on the one hand, and higher unemployment, welfare payments and government spending for relocation allowances on the other. The most sharply affected are the least skilled workers of the small firms, frequently those located in the inner cities.

Sweaters have taken the brunt of this charge and demonstrate the seriousness of the import threat to the entire knitwear industry.

In 1980, domestic sweater shipments amounted to 9.1 million dozen—a 16 percent increase—while imports reached 12.5 million dozen—a 25 percent increase—that accounted for 58 percent of the U.S. market. In women's sweaters, the more important segment of the U.S. market, 1980 imports exceeded domestic shipments by more than 40 percent despite a 19.5 percent increase to 6 million dozen in those domestic shipments. The situation has been worsening throughout the decade.

The heavy surge of wool sweater imports from China demonstrates just how rapidly this trade can develop. In 1979, U.S. imports were 17,000 dozen, and in 1980 the figure rose to 500,000 dozen or six million wool garments.

Wool sweaters are among the most heavily impacted categories of any U.S. apparel item. According to the U.S. Department of Commerce, the ratio of wool sweater imports to domestic production in 1979 was 136.4 percent. Women's wool sweater imports exceeded domestic production by more than 2½ times, with an I/P ratio at 260.7 percent. And in 1980, imports increased by more than 81 percent over 1979.

Concentration of these sweater imports is important. Key low-cost suppliers are Hong Kong, Korea, Taiwan, and the People's Republic of China. They accounted for 11.4 million dozen imports last year.

New countries are moving in. Significant amounts of wool sweaters were imported in 1980 from small suppliers which had hardly shipped in 1979.

SOME NEW SUPPLIES TO THE U.S.—WOOL SWEATERS—1979 TO 1980

Country:	1979	1980
Malaysia	14,024	3,647
Mauritius	35,405	925
Singapore	32,536	6,346
Sri Lanka	13,623	0
Thailand	17,010	1,365
Total	112,598	12,283

In May, 1981, tiny Mauritius accounted for 57,000 dozen more. These figures highlight but one example of the degree and magnitude of this sweater and knitwear import problem, and the pace at which it can worsen.

China further compounds the problem, and on a scale not previously experienced. The Chinese bilateral with the United States expires at the end of 1982. Their desires and demands will be extensive, and may not be approachable absent a massive redistribu-

tion of existing quotas forcing Hong Kong, Korea and Taiwan to compete with China for a single major country quota.

CURRENT SITUATION AND OUTLOOK

The Commerce Department's Import/Production ratios show just how far imports have moved into the U.S. sweater market. In the principal area of the domestic market, women's, girls' and infants' sweaters, imports far exceed domestic production.

Sweater categories	I/P Ratio, 1979
All Cotton	146.5
Men's & Boys' Wool	67.8
Women's, Girls' & Infants' Wool	260.7
Men's & Boys' Manmade Fiber	78.6
Women's, Girls' & Infants' Manmade Fibers	133.0
Total	120.5

While 1980 and 1981 have been relatively strong sweater years, the cycle is due to turn, and the 1982-1983 outlook is likely to show weakness.

Labor costs are a key element in our vulnerability to imports. In June of 1980, average hourly wages in the U.S. knitwear sectors were \$4.51 for knit apparel, \$4.71 for knit fabrics, \$4.63 for yarn, and \$4.40 for dyeing and finishing. Compare these to China, where the sweater mill wages are 15 cents per hour, or to Mauritius where it is understood to about \$1.80 per day!

Low wages enable extensive production on hand-powered knitting machines, greater finishing and detail work, and overall, a significantly lower production cost. And that assumes that production cost is relevant. In China, where foreign currency earnings and employment maintenance are crucial, production cost does not appear to be an important concept in sweater production or export pricing.

THE IMPACT

At wholesale

The impact of all this on our industry comes at the store level. U.S. industry sells at wholesale to chains and independent retail operators. The price at which retailers may obtain goods from foreign suppliers is crucial; regardless of the price at which those goods are sold to the U.S. consumer. Some recent import values are shown below. Retail stores seeking higher mark-ups, search out the lowest cost imported goods which are then sold to consumers at prices as close as possible to those being charged for domestic goods. Consumers do not benefit fully from the low wholesale prices of these imports. Importers and retailers of Chinese wool sweaters have acknowledged buying sweaters in China for \$5.00 each which they have sold to U.S. consumers at \$24.00 each, a mark-up of more than three hundred percent—after duties and freight!

Unit prices for U.S. wool sweaters at wholesale are in the range of \$7.75 to \$10.00 for lower-end, reprocessed wool and wool blend sweaters. Fine goods range to \$15.00 per and up. Some unit values of imports—as declared for duty purposes—shown here:

Average Unit Price Wool Sweaters; Women's, Girls' and Infants—446

Country	1980
Sri Lanka	\$3.35
Thailand	4.86
Malaysia	3.62
Singapore	4.13
Macao	5.79
Mauritius	4.31
China	5.57
Hong Kong	7.15

On job opportunities

Sweater imports represent lost jobs and business for people and companies in all

sectors of the industry. Ten people produce approximately 100 dozen sweaters per week. The 1980's 12.5 million dozen sweater imports, on a 47 week production year, common in this industry, would represent a full year of employment for more than 28,000 sweater production workers. Additional supervisory and management positions are also displaced. And, it is not sweaters alone that lose out. Sweaters are at the top of a broadly-based manufacturing pyramid.

These sweaters require yarn. Imported sweaters account for approximately 8,325 lbs. of yarn per dozen, so that 1980 imports would displace more than 103 million pounds of yarn.

Dyeing and finishing generally assumes 10 lbs. per dozen sweaters. 12.5 million dozen would yield 125 million pounds for dyeing operations, and would represent a year of employment for an industry the size of that presently employed in U.S. operations.

The wages lost range from \$3.50 per hour for trimmers in sweater operations to \$8.40 per hour for sewing machine mechanics. The average wage for domestic sweater production is in the area of \$4.65 per hour, plus approximately 25 percent for fringe benefits. An annual payroll of \$300 million is involved here.

Additional amounts are spent by local, state and federal government unemployment compensation and social action programs required to deal with the impact of these imports.

Where does it hurt? States with important sweater and knitwear production are Pennsylvania, New York and New Jersey, Massachusetts, and the rest of New England, North and South Carolina, Ohio, Wisconsin, Virginia and California. Cities hurt by imports include Cleveland, Philadelphia, Milwaukee, and of course, New York County. The industry's fiber, yarn, materials and services suppliers are located throughout the country. All would benefit from immediate relief, and from the prevention of further damage.

Threat to other knit sectors

Repetition of the sweater import problem in other knit sectors, particularly knit shirts and blouses, is feared unless action is taken, because the knit sectors are open to low cost investment and ease of entry. Imports of knit shirts and blouses already exceed 43 percent of domestic production. Knitting mills can be set up quickly, with high productive output.

Can this sector be saved?

The Multi-Fiber Arrangement governing world trade in these products is up for renegotiation now. The United States can and should use this chance, and 1981-1982 bilateral negotiations to freeze the quotas for sweaters, and to establish the system rules needed to prevent further damage. The U.S. must take up President Reagan's campaign commitment:

"The MFA expires at the end of 1981, and needs to be strengthened by relating import growth from all sources to domestic market growth. I shall work to achieve that goal."

INDUSTRY RECOMMENDS

Emergency action on the sweater categories is needed until the domestic industry is assured a 50 percent share of the U.S. market now and through the next upward sweater market cycle.

Imports from the major suppliers must be frozen at 1980 levels (below in the case of China), and new suppliers must be limited to the average of their 1979/1980 imports for 1982. (Alternatively, quotas from the major suppliers could be reduced and partially reassigned to newer, small developing countries.) These overall levels must be retained until 1983-1984, when the sweater market should have passed through its next downturn and be into a recovery period. At that

time, if U.S. producers have regained at least half the U.S. market, import growth could be permitted in line with anticipated growth in domestic production.

Knit shirt imports should be frozen for two years (1982/83), so that any growth in the domestic market in these categories is reserved for domestic production. Following a two-year freeze, imports would be allowed to grow annually at a rate not in excess of average annual domestic production growth in these categories during the preceding five years.

All other knitwear categories should be monitored closely and regulated so that import growth is limited on the basis of a five year moving average of domestic production growth (or decline) during the period beginning 1982.

During this special control period, all flexibility on these products in bilateral agreements, including swing and carryover shall be eliminated. Thereafter, all such flexibility should not be permitted to total more than 1% of the relevant quotas.

In the last analysis, the U.S. must apply comprehensive restraints in these heavily import penetrated categories so that excessive low cost country imports will not be accepted into the market, in excess of the amounts indicated, regardless of the diversity of their country or countries of origin; this action must be combined with vigorous enforcement of existing Customs laws to prevent quota and tariff evasion, false product marking, and transshipment frauds.

Domestic producers are investing in new technology and can recapture an improved share of the market, but not if each emerging, developing low-wage country is permitted to obtain an important slice of the market in addition to the shares already held by the Far East giants. Major import supplies must give ground in the U.S. if the U.S. market is to accept still more goods from emerging country producers. U.S. producers can give no more.

Very truly yours,

GEORGE VARGISH,
Chairman of the Board. ●

MACNEIL-LEHRER REPORT

● Mr. PERCY. Mr. President, there has been much discussion lately concerning the alleged oil glut in this country, and its effect on business and industry. While it is true that there appears to be plenty of oil available at present, we must not allow ourselves to be beguiled into thinking that the need for energy conservation has passed. The fact that oil is readily available at the moment is due in large part to the successful efforts of many Americans to conserve energy. Last month, I chaired hearings of the Subcommittee on Energy, Nuclear Proliferation and Government Processes on conservation strategy for the 1980's, at which a number of important conservation topics were raised, and the subcommittee concluded that conservation remains one of the most cost-effective means of reducing our dependence on foreign oil.

In June, the "MacNeil-Lehrer Report," a highly respected public affairs program aired on public television, presented an excellent program dealing with the so-called oil glut and the possible consequences for energy conservation efforts. Representatives from the travel and hotel industry talked about the consumer response in terms of summer travel plans, and a utility president spoke about

the effect on short- and long-term utility prices. The fourth guest was the executive director of the Alliance to Save Energy, Ms. Linda Parke Gallagher, a woman with whom I have worked closely to shape national energy policy, and who testified at the subcommittee hearing.

The alliance is a coalition of business, labor, government, and public affairs groups that the late Senator Hubert H. Humphrey, the Honorable Carla Hills, and I organized in 1977. The alliance has long promoted energy conservation as an important means of reducing our national dependence on foreign oil, and as chairman of the alliance, I have worked with this organization to encourage conservation in all sectors of society. Ms. Gallagher has worked closely with the industrial sector concerning the potential for increased energy efficiency in this area, and she discussed this important topic on "MacNeil-Lehrer."

Her testimony touched upon many issues that must be of interest to all of my colleagues who are concerned about the energy future of this Nation. Therefore, I ask that excerpts from the "MacNeil-Lehrer Report" of June 15, 1981 be printed in the RECORD.

The excerpts follow:

THE MACNEIL-LEHRER REPORT CONSERVATION UPDATE

MACNEIL. To some, conservation is not merely to be viewed as a sacrifice, but as the equivalent of new energy sources. The Alliance to Save Energy is a coalition of business, government, public interest and labor organizations committed to that view. Linda Parke Gallagher is the executive director of the Alliance. Ms. Gallagher, how much do you reckon conservation has contributed to the recent fall in oil imports into this country?

LINDA PARKE GALLAGHER. Well, Robert, we think that as much as one-half of the reduction in oil imports, or perhaps as high as 75 percent, could be due to conservation. Of course, that's a very difficult figure to quantify. But we do think that it has been substantial and significant, and that it will continue.

MACNEIL. Is your association worried that the so-called glut may reduce the incentive in this country to conserve?

MS. GALLAGHER. No, we really are not. The price of oil since 1972 has jumped dramatically, by about 1,000 percent, and has gone up significantly—doubled—in the last couple of years alone. So consumers have an adequate incentive right now to conserve based on the price of energy. And energy is going to continue to rise at least at the rate of inflation for the foreseeable future, so that the built-in incentive—the price incentive—will remain.

MACNEIL. So you think the price is really the determining thing in conservation and not availabilities, like gasoline at the moment?

MS. GALLAGHER. I think that the availability of gasoline is what in the past has been referred to as conservation. The conservation response after the Iranian oil cutoff, when long lines at gasoline stations were experienced by consumers, did lead to short-term curtailment. But it was just that: short-term curtailment. When we speak of conservation, we speak of investments in automobiles, in appliances, in more efficient building stock, in more efficient industrial processes. And those are the types of long-term investments which will induce meaningful and long-lasting conservation.

MACNEIL. You don't see any change in those trends since the supplies became more plentiful?

Ms. GALLAGHER. No, not at all. No, I think if anything, they're accelerating.

MACNEIL. Do you see any change in business—in its commitment to greater conservation efforts?

Ms. GALLAGHER. Business has been one of the—one of the real success stories in conservation. Business has achieved about a 17-percent savings in efficiency improvements since 1973. These trends are continuing. However, business, like the average consumer, is constrained right now by the lack of availability of capital at reasonable interest rates. So to the extent that we move to bring down the rate of inflation to make more reasonable interest rates a reality, and make capital in general more available—through new capital formation legislation—to industry, we should see this capital begin to be invested systematically in efficiency improvements.

MACNEIL. I see. So you would agree with Mr. Pistilli that tax incentives coming down—hopefully coming down for business—could be an incentive to more conservation investment? Is that—would you agree with that?

Ms. GALLAGHER. Yes, I would definitely agree with that. I think specifically in the six most energy-intensive industries, where energy costs at times represent as much as 70 percent of total product cost—so, for these industries, the incentive to conserve is very, very great, and may mean the difference between the competitive edge between one company and another.

MACNEIL. Briefly, apart from the tax plans, is the federal government doing everything it could to encourage conservation?

Ms. GALLAGHER. I think the attitude of the Reagan administration right now is rather a mixed bag. We would applaud it—the Alliance—the accelerated decontrol of oil prices. However, we have to realize that natural gas prices remain subsidized, remain controlled; that we are giving very large incentives to produce oil and gas and other forms of energy, and that one of the administration's first acts was to drastically slash the conservation budget from about a billion dollars to about \$300 million. So cuts were aimed at the conservation area to much greater extent than to any other area of the Department of Energy. So we are concerned that a more thoughtful approach towards energy efficiency and conservation needs to be taken by the administration. We are—we rather have a wait-and-see attitude, though, because we think they are moving in the right direction in terms of general capital incentives, bringing down the interest rates, and decontrolling the price of energy.

LEHRER. But the Reagan administration is removing some of that heat, is it not?

Mr. MAULDEN. Well, I think that that is true. I don't think that we're getting the federal mandates—or the approach to federal mandating getting off gas and oil and onto coal that was prevalent in the previous administration. But it's still a matter of economics, and I believe that the utility companies will follow that course of action that will produce the lowest-cost product for their customers.

LEHRER. Is that the kind of thing that bothers you, Ms. Gallagher, in terms of the Reagan administration—like taking the heat off Jerry Maulden and others to convert, get out of the oil-using business?

Ms. GALLAGHER. Well, I should say that we are working with Jerry Maulden on a study that is sponsored by the John A. Hartford Foundation on encouraging utilities to more aggressively go after conservation investments. We think that—

LEHRER. You mean—what's a conservation investment for a power company?

Ms. GALLAGHER. The kind of thing that we're working with Arkansas Power & Light and other utilities, is to identify investments actually on their customers' premises that might save energy. An example might be cogeneration and allowing the utility and the industry to go into a partnership, each of them to put up capital and to split the savings and also the profits that may accrue. This is a more creative, innovative financing arrangement.

LEHRER. Sounds like a great deal, Mr. Maulden. I don't know why you're not doing it.

Mr. MAULDEN. Well, we're certainly working toward that end.

LEHRER. Okay. Robin?

MACNEIL. Yes, Ms. Gallagher, if this country has succeeded, since 1978, in lowering its daily imports from 8 million to 5.4 million—that's roughly one-third—how much further do you reckon practical conservation measures could lower it over the next few years? The import figure?

Ms. GALLAGHER. I think it's quite amazing that conservation has gone as far as it has gone as quickly as it has gone. It has absolutely outstripped any energy prediction from Harvard's energy future, to Ford Foundation studies, to the Department of Energy's own forecasts. The Department of Energy in NEP III was forecasting oil imports of over 6 million barrels of oil a day by 1990. And we're already beyond that. And yet we have barely begun to tap the energy source of energy conservation, energy efficiency. There is enormous potential. Our work with industry in another study that we're doing—sponsored by the MacArthur Foundation—we're working with the six most energy-intensive industries, and there are literally billions of dollars—it's been estimated as high as \$50 billion worth of productive investments in conservation that have yet to be made. So I think that as market forces begin to work, they may outstrip our wildest expectations as to what is possible.

MACNEIL. Would you agree with that, Mr. Pistilli? That you've got a long way to go?

Mr. PISTILLI. Yes. We have a long way to go. Some of us in our industry think that oil is the fuel of transportation, and the fuel for generating electricity and running our industrial plant has to come from coal and nuclear energy, and I think this is going to be the ultimate solution. ●

INTERNATIONAL HARVESTER MEETS WITH CONGRESS

● Mr. PERCY. Mr. President, on June 25th I had the honor of meeting with my two good friends, Brooks McCormick and Ben Warren, of International Harvester. This year is the sesquicentennial of the invention of the reaper by Cyrus McCormick, truly a landmark event in our Nation's agricultural and industrial history. I ask that the remarks made by Mr. McCormick, chairman of the board, and Mr. Warren, president of IH's Agricultural Equipment Group, on June 25th to a luncheon with Members of Congress representing States and districts with IH facilities be printed in the RECORD.

The material follows:

REMARKS BY Mr. BROOKS MCCORMICK

Distinguished members of the Senate and the House of Representatives, some of our International Harvester people have come to Washington today because our company is recognizing its 150th anniversary. To help commemorate that event, we're sponsoring a special exhibit at the Smithsonian's National

Museum of American History. The exhibit, which we dedicated this morning, is titled "The Changing American Farm," and that title, it seems to me, is a massive understatement. The "Productivity Revolution" on the American farm would be far more accurate.

In the exhibit is one of Cyrus McCormick's earliest reapers which he successfully brought to market in the early 1830's. That was the beginning of a global revolution in farming. When that early reaper was perfected, one farmer, using a cradle, could cut two acres of grain a day. The same farmer could produce enough food to feed himself and three other people.

The McCormick reaper quadrupled the harvest to eight acres a day. But more importantly, the exhibit contrasts this to the miracle which takes place every day on our American farms—the farms of many of your constituents. Today our company's Axial-flow combine can harvest 100 acres of wheat in a single day. This kind of productivity enables one American farmer to produce enough food for 48 U.S. citizens, and there is enough left over to feed 20 other people overseas. I don't have to tell you how important that is to the strength of the dollar and our balance of payments position.

However, at this particular moment, I believe all of us may be more concerned with IH's future than its past. There have been many opinions expressed in the media, and many of these opinions are in conflict with each other. As I believe I've heard some legislators say from time to time—I'd like to take a few moments and set the record straight.

The company is in the final stages of what is thought to be the largest debt restructuring program in history. It involves nearly \$5 billion and, as you well know, there is no government involvement whatsoever. I am pleased to tell you that lenders accounting for more than 95 percent of the funds involved in forming two revolving credit facilities totalling about \$3.4 billion have approved, in principle, their participation in these facilities. Indications of interest also have been received in connection with the \$1.5 billion of additional funds which would be provided by banks through a proposed purchase facility for IH Credit Corporation receivables.

This is just a long way to say that IH is well on its way to regaining the financial flexibility that is needed to assure its long-term stability, growth and success.

The company's short-term liquidity problem resulted from a number of events which unexpectedly converged at the same moment. In April of last year, when the company settled a long and hard six-month strike, all three of its major markets were moving into a time of recession. It is the first time in decades that all three of IH's major product lines have simultaneously experienced such soft market conditions, both domestically and overseas. This includes highway trucks, agricultural equipment, and construction machinery. In the agricultural sector the problem was aggravated by the grain embargo and drought.

In addition the roller coaster jumps in interest rates hit the company from two directions. We had modernized our plants with huge sums of money, increased our debt, and the increased interest expense cut into our profit margins. In addition, our customers looked at these interest rates and promptly postponed the purchase of equipment.

Now what are we doing at International Harvester to combat these adverse pressures? I can tell you that the company's management is taking continuing and intensive steps to insure that IH can be profitable—even if demand for our products was to remain at today's low levels.

For example, in 1977, our profits were about 2 percent of sales on a LIFO basis.

Today, on a modest increase in unit volume, we will be much closer to being a 5-percent company, and our goal is at least an 8-percent return on sales.

We are making the strides that will allow us to meet this goal through a variety of initiatives. In the last three years, our company has introduced cost improvement programs which are now saving us over 400 million dollars a year. This year alone, we realistically expect to achieve additional cost reductions of over \$300 million. These improvements have resulted from such efforts as reducing the cost of purchased items, more commonality of parts, cutting transportation costs, decreasing inventory levels by taking a leaf from the Japanese book, increasing utilization of our plants and equipment without working our people harder, and using energy more efficiently.

Non-profitable or underutilized assets are being identified and eliminated. At the same time, we are still spending money to further modernize our facilities—an expected total of more than \$300 million in 1981. This will enable IH to meet the future challenges of competition from this country and abroad. It also means that our plants and offices will be able to provide secure employment for the over 80,000 IH employees.

This year, we are introducing 51 new products—an all-time record for the company. And we have one of the strongest dealer networks available to any company. In the United States, IH has almost 4,000 dealers with an aggregate net worth of about \$1.5 billion, and a total of over 7,000 dealer outlets around the world with an aggregate net worth of perhaps \$3 billion.

An independent study by Booz, Allen & Hamilton of both International Harvester and competitive dealers verified our dealers' strength, loyalty, and confidence.

These three ingredients—capital equipment advanced products, and dealer organization—are combined with a base of skilled and loyal employees. That's the recipe for long-term stability and future record earnings.

The signs of this strength are apparent even in today's depressed capital goods economy. Our market shares in heavy and medium duty trucks are expected to set all-time records this year. We are a strong number two to John Deere in farm equipment, and we're really closing the gap on a worldwide basis. Ben Warren will discuss that with you in just a few minutes.

But the bottom line is that with our market shares and our improved cost structure, we will be able to achieve substantially increased profit margins as our unit volume increases.

The independent Booz, Allen study projected that IH could return to traditional levels of profitability from continuing operations in 1982 and that earnings in 1983 could be an all-time record. With the capital gain which we expect from the anticipated sale of our Solar Turbines International division for \$505 million, we should be in the black for all of this current fiscal year.

We're making progress that makes me very proud. But we really need Congress to quickly pass a program that would allow significantly faster depreciation. This would stimulate business investment in productive equipment—something that is urgently needed if we are to meet the challenges of global competition. We also believe such action will break the dam of pent-up demand and move the economy forward so it will more than make up any short-term revenue loss from lower tax levels.

I would now like to introduce one of my colleagues, Mr. Ben Warren, who is president of our Agricultural Equipment Group. Ben will give you an overview of the outlook for this segment of our business.

REMARKS BY MR. BEN H. WARREN

Thank you, Brooks. Agriculture is the industry in which our company has its beginning 150 years ago. Today, farm equipment continues to be a basic cornerstone of IH's future, and it is the business segment into which we are currently placing the highest percentage of our company's capital and research dollars.

About 65% of the Agricultural Equipment Group's sales are generated in North America. We have about 10,000 of our Group's employees at five U.S. plants. If you were to look at a map, our plants line up like a belt right down the fertile Midwest center of the country—stretching from Rock Island and East Moline, Illinois at the north—through Canton, Illinois—to Memphis, Tennessee—and down to Gulfport, Mississippi.

As Eeroos mentioned, our company is introducing an all-time record of over 50 new products in 1981. More than 30 of these are advances in agricultural machinery to increase farm productivity.

IH has already added new tractor models which are being produced at the Farmall plant in Rock Island. This includes the innovative 2 + 2 tractor which has the traction and strength of four-wheel drive coupled with the mobility of two-wheel drive. It allows farmers to get in their fields earlier and stay longer—despite adverse weather—during the critical planting and harvesting seasons.

At East Moline, IH is producing the most modern line of combines available—the Axial-Flow rotary models. They increase productivity by improving yield, reducing grain damage, and cutting fuel consumption.

Our new line of Early Riser planters became available to farmers just this spring. They're produced at East Moline and Canton and offer faster field speeds as well as a system which packs moist earth around the freshly planted seed for faster germinating crops.

At Memphis, we are now building disk harrows that for the first time incorporate our own Earth Metal disk blades that are up to 30% stronger and last up to 20% longer than conventional blades. And the Gulfport plant adapts small and medium-sized tractors for the North American market.

This quick tour around the nation's heartland shows the stake IH has in agricultural equipment. In the first six months of this fiscal year, our sales of farm machinery amounted to \$1.6 billion which equalled 43% of IH's total sales in that period. We believe this percentage will continue to grow in the future.

There's another figure which shows our dedication to the farmer. Our company spent a total of \$384 million on capital improvements in 1980. Of that total, \$229 million, or 60%, went into agricultural equipment plants. And this commitment to investment hasn't slowed. We still have multi-million dollar programs moving forward to increase efficiency, upgrade the quality of our products, and improve the working environment of our employees.

In addition to advanced products and plant modernization, the third part of our future success formula is the capability of our dealers and the IH marketing organization that supports them. We have a well-established network of 1,835 IH agricultural

equipment dealers in the U.S. These are privately controlled, independent businesses that have been with IH for an average of 18.4 years.

Like our farm customers, they too are looking forward to new legislation that speeds up depreciation on farm equipment and buildings.

As we all know, we are still in the midst of a difficult time in the farm equipment business. Because of low levels of retail demand, primarily due to continuing high interest rates and declines in commodity prices, many of our plants—as well as those of our competitors—will be closing for an extra week or two on top of normal three-week vacation shutdowns this summer.

However, we continue to be moderately optimistic about the remainder of 1981. Most business indicators are good in the agricultural sector. Interest rates are predicted to decline to more reasonable levels. Crop prospects are generally favorable for most parts of the country. Export demand is still heavy. And even though commodity prices have dropped in recent months, farmers are generally assured of good prices for their crops.

With the fundamental strengths of IH, we will take full advantage of this turnaround. Our company expects another 150 years of productive accomplishment—and I personally believe the coming years will be even better than the first decade and a half.

To show you why we are so optimistic, I'd like to give you some insights into the futuristic systems we're looking at in our IH technology and engineering centers.

An example is the combine of the future. We're looking at total systems rather than just a few functions in our advanced harvesting group. It is now possible to make a combine that can harvest, process the crop, package it, freeze it, and have it ready for shipment. The technology exists which could make this a reality. But I honestly have to tell you that it's economically impractical today.

I mention this concept to illustrate that we are working on similar systems approaches that will be equally revolutionary, and will literally be on the market in less than a decade. The essence of our work in advanced harvesting systems is to look at the individual links in the chain of agricultural production—the soil, the crop, the harvesting mechanism, the product, the by-product, and finally the manner in which the final product will be used in the marketplace. We're looking at all the links in the chain of agricultural production and how they all integrate together to efficiently and effectively produce food, feed, and fiber.

Like advanced harvesting, our biomass department also is taking a systems approach in its activities.

We see a tremendous opportunity for the farmer, or cooperative groups of farmers, to significantly be more fuel efficient than they are today. In addition to growing food, feed and fiber, the farmer might also be able to grow fuel perhaps as a direct or indirect product of his agricultural business.

The IH biomass group is exploring a variety of technical approaches to producing energy from wood, farm waste and municipal wastes. As a feed stock, these materials could be used to generate synthetic gas as a fuel to heat homes, farms or factories; to burn in electricity-producing generators; or to be used in chemical synthesis to produce methanol.

At International Harvester, we feel energy uses of biomass should be prominently explored and utilized. It is common ground that can benefit all mankind. ●

EXTENSIONS OF REMARKS

BEST WISHES TO TED PIERCE

HON. JOHN G. FARY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. FARY. Mr. Speaker, later this month, August 21, is the last day which Mr. Ted Pierce will be with my office. Ted served in my Washington office this summer as our L.B.J. congressional intern. He will be returning to his studies at New England College in Henniker, N.H.

I would simply like to reiterate how invaluable the intern program is to the operation of congressional offices, as my colleagues well know. Ted was a dependable and enthusiastic worker whose efforts contributed measurably to our efficiency. There was nothing that he was not willing to tackle.

I served with Ted's father, State Representative Daniel Pierce, in the Illinois General Assembly, and I trust that this experience gave Ted an insight which one from a political family will savor. As president of his own student senate at New England College, I am sure that Ted will soon become a successful and respected gentleman in whatever profession he chooses.

I extend my gratitude for his services and wish him well in future endeavors.●

SAFE ENERGY SOURCES—
SURPRISING RESULTS

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mrs. BOUQUARD. Mr. Speaker, the Energy Research and Production Subcommittee, which I chair, recently held hearings on the topic of "Societal Risks of Energy Systems." These hearings addressed the general area of risk analysis and how it has been, or might be, applied in assessing the comparative risks involved among various energy generation technologies.

All of the expert witnesses agreed that risk analysis, if properly used, can be a valuable aid to the policymaker. The methodologies developed by professional risk analysts allows one to systematically assess the risk for any given energy technology.

It is, of course, not altogether clear that one can quantify all of the various facets of risk, even though they can be enumerated. For example, how does one quantitatively assess the risks involved in not providing enough

energy to fulfill society's needs? Or, in contradistinction to this facet, the risks of having provided the energy—at the cost of having not funded some other societally beneficial activity—and then not needing it. Risk assessment, clearly, must be used as only one of the many tools which the policymaker has at hand to help understand the impacts of technology, or a lack thereof, on society.

There are, however, some topics for which there is sufficient quantitative information available to perform a comparative risk assessment. In the hearing, Dr. Lester Lave, a distinguished visiting scholar to the prestigious Brookings Institute and former head of the Economics Department at Carnegie-Mellon University, did a very convincing job of showing us, with some concrete examples, where risk analysis has been appropriately utilized. Interestingly enough, he noted that the results are sometimes counter to what may be one's casual impressions.

In particular, Dr. Lave quotes work performed at the Brookhaven National Laboratory (Report No. BNL-51307) in which a number of energy systems were analyzed with regard to illness, accidents, and fatalities—both per unit energy production—which would most probably occur due to the construction and implementation of various energy production technologies, for example, solar photovoltaics, wood burning, coal-steam electric fuel cycle, nuclear fission—including the complete fuel cycle, and others. Dr. Lave reports that the study shows that after a comprehensive examination of the alternatives, that seemingly benign technologies such as solar photovoltaic electricity production and wood burning appear to offer as high or higher risks than coal and nuclear electricity production.

This Brookhaven report derives quantities data from actual present day energy production systems. Obviously, these systems will improve with time and the relative risks will change, for example, less energy will be needed to produce solar photovoltaic cells, even safer nuclear fission powerplants will be built, better scrubbers will be installed on coal-fired powerplants, et cetera. Nevertheless, the results of the study are food for thought for those who would radically change our existing energy supply system.

I am including in the RECORD today Dr. Lave's testimony, and I commend it to the attention of my colleagues and the American public in the continuing debate about energy.

TESTIMONY BEFORE COMMITTEE ON SCIENCE AND TECHNOLOGY, THE RISKS OF ALTERNATIVE ENERGY SOURCES BY LESTER B. LAVE, BROOKINGS INSTITUTION, JUNE 18, 1981

INTRODUCTION

In this testimony I will sketch the methods of estimating the risks, particularly to health, of energy systems. Some of the difficulties in analyzing these risks will be discussed along with current methods of solving them. Finally, I will present the results of analyses of the risks of a number of current energy sources including nuclear reactors, coal fired plants, various solar energy technologies, and the use of wood for home heating.

THE COMPLEXITY OF SETTING GOALS

Social goals are rarely simple and actions to achieve them never have a single consequence. We desire electricity that is cheap, safe, and reliable. No one is satisfied to have electricity that is extremely expensive, but is safe and reliable, or indeed, to achieve any two of the three attributes while sacrificing the third. As I illustrated in a recent paper on federal regulation of the automobile, society is not well served by ignoring any of the significant aspects of a problem (Lave, 1981a). In the case of the auto, over ten years Congress successively regulated safety, emissions, and fuel economy, and may yet get around to regulating the other important aspects such as price and styling.

As the auto paper shows, a second lesson is that society is not well served by considering one goal at a time; regulation of fuel economy was necessitated partly by the regulation of safety and emissions. The relevant goals have to be considered simultaneously so as to reconcile the pulls and tugs of conflicting goals. In setting national energy policy, we have been guilty of focusing on one attribute at a time and ignoring the effects of our decisions on other attributes. For example, the only attribute of importance in regulating nuclear power has been safety. The consequent ignoring of cost and reliability has reduced, and in many cases eliminated, the competitiveness of nuclear power. Project independence considered only reliability and produced a plan that had vast increases in cost and important compromises in safety.

I have simplified by discussing the attributes of cost, safety, and reliability. For energy, other attributes include the future supply of fuel and international aspects of our decisions. All five of these attributes or dimensions of the problem must be considered together in arriving at a national energy policy. Safety does not dominate the decision, but neither can it be ignored. What follows is an attempt to explore and quantify safety aspects of energy decisions. These aspects are but one of five that must be considered in arriving at sensible energy policy.

A PRIMER ON RISK ANALYSIS

To determine the risks of accidents associated with a project, one must begin by delineating those parts of the project where there is an accident risk (Lave, 1981b). The second step is to determine the type of injury and probability of injury associated with each risky part. The third step is to

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

find a number of people exposed to each risk. The final step is to characterize the hazard (magnitude of possible harm), who is at risk, and the expected number of injuries of each type.

To determine the risks of occupational disease or disease in the general population, the steps are similar. The first step is determining the substances to which people are exposed. The second step is to determine the dose-response relationship for each substance. The third step is to determine the population at risk and the dose received by each person. The final step is to characterize the type and amount of disease expected for each group, the amount of disability and premature death.

It is relatively easy and straightforward to describe the procedures for characterizing accidents and disease; however, applying these procedures is rarely easy or straightforward. For example, accidents are rarely due to a single cause. Instead, a number of factors contribute, generally including some human mistake or lack of attention. What really caused the accident and what is the cheapest (and most reliable) method of preventing it? For example, a large number of people are killed each year in accidents involving freight trains; generally there is a collision between the train and a vehicle at a crossing. Since coal represents a large fraction of railroad tonnage, a large number of accidents must be attributed to carrying coal. What is the cheapest and most reliable way of eliminating these accidents? A very expensive way is building grade crossings and putting up fence along the right of way. The latter is unlikely to be effective in preventing people from getting close to the tracks. The best alternative might be to substitute coal slurry pipelines for freight trains.

The difficulties associated with occupational disease are much greater. There are myriad toxic substances in minute quantities in the workplace and in the surrounding environment. Occasionally the concentration and resulting dose are great enough to produce an acute effect. More generally, minute doses contribute to some unknown increase in chronic disease. Often latency periods of several decades are involved, the actual incidence of the resulting disease is known, and rarely can one be certain of the cause of a particular disease.

Epidemiological studies provide some evidence about the health effects of various occupations and exposures. More generally, there is at best information from animal bioassays, or no information at all.

Estimating the population at risk and the dose they receive is conceptually straightforward, but extremely difficult in practice.

Even assuming the analysis can be performed, the result is a set of disparate health effects, accidents involving consequences that range from trivial to fatal and a set of disease effects that range from slight, acute effects to chronic disease resulting in death. To make sense of this array of effects, one must aggregate them somehow. But how many slight injuries are equivalent to a serious injury? How many serious injuries to a fatality? Is a fatal accident better or worse than a fatal cancer?

Some effects, such as accidents and acute disease occur immediately; some occur only after decades. What is the cost to society of a fatality now versus a fatality in thirty years?

Some people believe it is important to distinguish between accidents or disease to workers and to the general public. Workers

generally know the nature of the risks and are paid to assume the risks. The general public is often not aware of the risks and is loathe to have the risks imposed on them.

The point to be emphasized is that the risk assessment is a careful, systematic attempt to estimate the health effects of an energy technology and to aggregate the risks so that the decision makers can make sense of them. For the situations at issue, it is extremely difficult to estimate the effects with confidence. For example, the public health effects of air pollution from burning coal are subject to intense controversy. While one cannot accept the estimates as gospel, one should not dismiss them as guesses. They should be an important input to energy policy, but one must be careful to recognize the amount of uncertainty associated with each estimate.

A COMPARISON OF CURRENT ENERGY TECHNOLOGIES

Systematic attempts to infer the risks of energy technologies date back less than one decade (Lave and Freeburg, 1973; Sagan, 1973, 1974). The early studies focused on electricity generation technologies and compared coal with nuclear, with some consideration given to oil and natural gas. With the OPEC embargo came the realization that oil would be scarce and so the only near term alternatives are coal and nuclear. The initial evaluations found that both the occupational and public health risks of coal were many times greater than the risks for nuclear reactors. Depending on the precise assumptions, coal was estimated to produce 100 to 10,000 times more adverse health effects than nuclear.

These initial analyses did not give adequate attention to various problems in both fuel cycles. For coal, environmental effects were not considered, including the health consequences of acid rain and the climate changes associated with atmospheric accumulation of carbon dioxide. For nuclear, inadequate attention was given to nuclear accidents, sabotage, the risks of nuclear proliferation, and disposal of radioactive waste. Later analyses have made some progress in considering these additional issues, but have tended to estimate the risks of coal and nuclear to be more comparable (Morris et al, 1980; Hamilton, 1980), with results shown in the table.

Dose-response relationships and the potential of future technology have generated intense controversy among the advocates of various technologies. The effect of low level ionizing radiation on health is generally assumed to be a liner, no threshold dose-response relationship, but there is no general agreement whether this relationship is correct or conservative (BEIR, 1971, 1980). The effects of sulfur oxides and suspended particulate matter on health have generated even greater controversy recently, with contradictory epidemiological studies, laboratory experiments that are difficult to interpret, and experts arriving at opposite conclusions about the health effects at current ambient levels (Lave and Seskin, 1977, 1979; National Academy of Sciences, 1978; Holland et al, 1979; Chapple and Lave, 1981). If the health effects of suspended particulate matter and sulfur oxides are dismissed or abatement technology is assumed to improve vastly, coal looks like a more acceptable alternative. I want to state my judgment that the health effects of sulfur oxides and particles are large and that stringent abatement is necessary.

The pitfalls of regulation are illustrated by coal. The 1971 EPA regulations covered

sulfur dioxide and particles. The cheapest way of meeting the standard was to build a high stack to disperse the pollution over a wider area. There is a general consensus that acid sulfates, not sulfur dioxide, are the primary culprit in causing adverse health effects. The effect of a tall stack is to increase the amount of sulfur dioxide converted into sulfates generally and acid sulfates in particular. Thus, failure to get the regulations exactly correct helped lead to abatement policies which worsened the situation. EPA now requires stack gas scrubbers for all new coal fired plants. While these devices remove about 95 percent of the sulfur from the stack gas, they convert the remaining 10 percent to sulfates, particularly sulfuric acid mist. There are suggestions that scrubbers may have the effect of worsening health effects, at least locally.

More recent investigations have examined the risks associated with various solar technologies as well as of burning wood for home heating (Morris, 1981; Rowe and Groncki, 1980). Contrary to popular belief that these energy sources are benign, they find that the health risks of photovoltaic technology and of wood burning are higher than those for coal. This is not an area where one's casual impressions can be relied upon.

CONCLUSION

I have sketched the difficulties in setting and implementing social goals and in performing quantitative risk analyses. In reviewing the health effects of various energy technologies, all investigators agree that nuclear appears to offer lower risks, generally significantly lower risks than coal. However, there is still vast uncertainty about various aspects of the fuel cycles and about technological changes in mining, abatement technology, and in waste disposal. Seemingly benign technologies such as photovoltaic and wood burning appear to offer a higher risk than coal, showing that alternatives have to be examined carefully.

DIRECT AND SYSTEMWIDE OCCUPATIONAL HEALTH RISKS OF RENEWABLE ENERGY TECHNOLOGIES AND OF COAL AND NUCLEAR FUEL CYCLES PER 10¹² BTU OUTPUT

Technology	Labor, 100 M-yr	Illness and accidents		Fatalities	
		WDL, 100 M-yr	WDL/ 100 M-yr	10 ⁻³ cases	Cases/ 100 M-yr
Direct					
Central station photovoltaics.....	1.5	110	76	0.013	0.0086
Central station wind.....	1.1	120	120	0.097	0.090
Anaerobic sludge digestion.....	0.59	59	100	0.14	0.24
Wood pyrolysis.....	0.25	45	180	0.018	0.073
Passive solar heating.....	0.71	63	90	0.081	0.11
Active solar heating.....	1.9	170	93	0.25	0.13
Active solar hot water.....	1.6	150	97	0.34	0.21
Active solar heating and cooling.....	2.5	220	88	0.31	0.13
Active solar process heat.....	1.6	150	94	0.21	0.13
Residential photovoltaics.....	8.1	610	75	0.11	0.13
Residential wind.....	6.4	800	120	0.53	0.083
Residential wind with battery storage.....	7.8	790	100	0.62	0.079
Coal-steam electric fuel-cycle.....	0.76	58	76	0.09	0.12
Nuclear fuel cycle.....	0.36	35	97	0.054	0.15
Systemwide					
Central station photovoltaics.....	3.27	270	85	0.38	0.12
Central station wind.....	2.3	240	100	0.28	0.12
Anaerobic sludge digestion.....	1.3	130	100	0.29	0.22
Wood pyrolysis.....	0.66	94	140	0.094	0.14
Passive solar heating.....	1.7	160	95	0.28	0.16
Active solar heating.....	4.9	490	100	0.87	0.18
Active solar hot water.....	3.7	370	100	0.71	0.19
Active solar heating and cooling.....	6.6	640	97	1.1	0.16
Active solar process heat.....	3.8	380	98	0.62	0.16
Residential photovoltaics.....	20	1,900	93	34	0.17
Residential wind.....	14	1,500	110	16	0.12

DIRECT AND SYSTEMWIDE OCCUPATIONAL HEALTH RISKS OF RENEWABLE ENERGY TECHNOLOGIES¹ AND OF COAL AND NUCLEAR FUEL CYCLES PER 10¹² BTU OUTPUT—Continued

Technology	Labor, 100 M-yr	Illness and accidents		Fatalities	
		WDL 100 M-yr	WDL/ 100 M-yr	10 ⁻³ cases	Cases/ 100 M-yr
Residential wind with battery storage	17	1,100	99	.201	.012
Coal-steam electric fuel-cycle	1.9	170	89	.032	.017
Nuclear fuel cycle	1.1	120	110	.025	.022

¹ Rowe, M. D. and P. J. Groncki, 1980. Occupational health and safety impacts of renewable energy sources. Supplementary report to Health and Environmental Effects of the National Energy Plan: A Critical Review of Some Selected Issues, (BNL 51300), Brookhaven National Laboratory. BNL 51307. 93 pp.

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EXTENSIONS OF REMARKS

A CONSTITUENT SPEAKS OUT ON CRIME

HON. BENJAMIN S. ROSENTHAL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. ROSENTHAL. Mr. Speaker, crime is a societal disease that sparks outrage, horror, and indignation in the hearts and minds of all citizens. It is a problem that transcends regional boundaries, age barriers, and economic classes. It afflicts all of us through the real costs it imposes on our pocketbooks. But, more importantly, it restricts our personal freedom.

Today, I want to share with my colleagues a poignant letter that I received from a constituent about crime. This letter is just one of many I receive that relates the personal anguish crime causes in the lives of people who have been victimized by robbery, muggings, or violent assault. These people, in addition to millions of other citizens, are afraid to walk the streets of our cities, shop in our shopping plazas, or ride on public conveyances. This letter closes with a call for Congress to take resolute action to stem the alarming trend of national crime statistics.

The text of the letter follows:

DEAR CONGRESSMAN ROSENTHAL: I'm sick of it! Sick of the muggings, the robberies (we are one of the statistics) the inability to wear hard-earned jewelry or carry a handbag, or go out at night alone. Sick, sick, sick of the liberal judges. Sick of not being able to shop in the Bay Terrace Shopping Center without fear of any or all of the above.

It's got to stop.

We put a horrible, confining gate on our fire escape windows. We drilled holes in our windows near our terrace (That's where our burglar made his 1:30 am entrance while we were sleeping.) We put ourselves behind bars.

Enough.

While crime is a problem that does not lend itself to glib responses or easy solutions, Congress can take effective action to protect our citizens from the muggings, robberies, and violent assaults that are addressed in the letter. One critical step in our battle against crime must be the immediate passage of strict gun control legislation. In the average day, 60 Americans die of handgun violence, whether by homicide, suicide, or accident. In the last decade, 217,000 Americans died by handgun violence—nearly four times the number that died in Vietnam. Recently, the assassination attempts on President Reagan and Pope John Paul II have reinforced the need for resolute action.

In my 1981 districtwide questionnaire, I asked constituents which measures they supported to combat crime. Over 80 percent of the respondents said they favored gun control. The Congress currently has two pieces of gun control legislation before it.

August 19, 1981

H.R. 3200, the "Handgun Crime Control Act of 1981," would prohibit the manufacture, sale, and transfer of handguns to private persons. H.R. 40 is an even more stringent measure which would prohibit the possession of handguns. The time is long overdue for Congress to meet its responsibility to the public and enact an effective gun control law.

I am a cosponsor of both gun control bills pending before the House. I believe that these measures can make a significant difference in reversing the alarming trend of national crime statistics. I call on my colleagues to give them urgent consideration when the House reconvenes in September.

DR. KING AND THE POOR PEOPLE'S CAMPAIGN

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. CONYERS. Mr. Speaker, David Levering Lewis' biography of Martin Luther King, Jr., "King: A Biography" (University of Illinois Press, 1978), provides an excellent account of Dr. King's plans for the poor people's campaign in Washington, which was the major project of nonviolent political action that he worked during the last months of his life.

At that time King was besieged by intense and conflicting pressures from all quarters of the civil rights movement that he led. His outspoken position against the Vietnam war earned him the hostility of many of his original supporters. The Johnson administration, whom he worked closely with on civil rights legislation, shut the door on him. Younger, more militant leaders of the movement questioned his ability to lead further charges against racial and economic discrimination. The urban riots in 1967 raised doubts about the workability of King's philosophy and practice of nonviolence. King envisaged the poor people's campaign as the logical extension of the civil rights movement into the areas of social and economic inequality. In the midst of the war and the urban riots, he felt more strongly than ever that nonviolent direct action was the key to social change.

In October 1967 Dr. King submitted to the Kerner Commission, that was investigating the urban riots, a bill of rights for the disadvantaged. In December before the staff of the Southern Christian Leadership Conference he presented the final plans for the poor people's campaign. King never lived to implement the plans. He had accepted in March an invitation of a group of ministers to travel to Memphis, Tenn., to give support to the sanitation workers' strike in that city.

He was killed in Memphis by an assassin's bullet.

Excerpts from Lewis' biography on Dr. King's role in the poor people's campaign follow:

In July, three months after the publication of "Where Do We Go from Here," racial disturbances flared in Newark, New Jersey, and Detroit, Michigan. The loss of life and the property damage in Detroit surpassed everything of its kind in American history. There no longer appeared to be any place for the sincere, "creative" moderation of a Martin Luther King, his nonviolent abstractions and gratuitous preoccupation with a remote war. Louis Lomax states that Martin even began to accept the "undeniable fact that violence paid off."

The truth is that Martin became even more opposed to violent social action after the July riots. But he also recognized the general public impression of nonviolent bankruptcy that had been fostered by the riots. Since Chicago, nonviolence had not demonstrated the capacity to play a "transforming role," he admitted later. Indeed, a review of the accomplishments of the SCLC in Chicago, after the Summit Agreement, were not impressive. Fewer than two thousand families had organized into tenants' unions and compelled landlords to recognize them officially and to make firm commitments. An SCLC-sponsored union-to-end-slums rent strike, lasting six months, achieved concessions for six hundred tenants in the Lawndale section of the city. Two grocery corporations, Hi-Low and National Tea, agreed to carry products of black corporations and to deposit in black banks the income from their stores located in the ghetto. These accomplishments, although symbolically impressive, left the surface of the problem barely scratched. Moreover, the labors of the SCLC staff in organizing a political machine in the ghetto aborted miserably. It was only in the wake of the July chaos that the readiness of the national business community to invest in the ghetto made it propitious for Martin's Chicago lieutenant, Reverend Jesse Jackson, to announce that Operation Breadbasket, focusing on jobs, would henceforth be a national undertaking.

The Supreme Court, the mainstay of civil rights, had begun to reflect the satiety of the nation with black demands and civil disobedience. In November, 1966, Justice Byron White, who had consistently voted with the Warren court's majority, cast his vote to uphold the conviction of civil rights demonstrators in a lower court for trespassing in Tallahassee, Florida. It was the first judicial reverse of this nature suffered by the Movement since Montgomery. In June, 1967, the justices decreed that Martin's conviction by a Birmingham court for demonstrating without a permit was valid. He and eight others, including Fred Shuttlesworth, Ralph Abernathy, and Wyatt Tee Walker, were to spend four days in a Birmingham jail in October. A week before surrendering to the authorities, Martin submitted his Bill of Rights for the Disadvantaged to the recently established Kerner Commission, charged by the President with the task of uncovering the causes of urban racial explosions. In prison, he made profitable use of the time to hammer out, with Ralph and Wyatt, his cellmates, the main outlines of an interracial coalition of the poor that would pressure the government into enacting legislation benefitting those below the poverty line. At an SCLC meeting in Atlanta in December, Martin presented his plan

for a poor-peoples march on Washington, to take place in April, 1968. Three thousand poor whites, American Indians, Americans of Mexican descent, and blacks (who would comprise the majority) were to converge on the capital and demonstrate nonviolently until Congress acted.

The following weeks were turbulently busy. No proposal could have been more unwelcome than Martin's poor-peoples march to the capital. Having legalized the right of blacks to integrated hamburgers and polling booths, having designated more than \$1 billion for their uplift and accepted the desirability of open housing if not the legal apparatus to enforce it, the white community was consternated by the planned inundation of Washington by thousands of proletarians. Professor C. Vann Woodward's heuristic question "What more do they want?" (in the Harper's article "What Happened to the Civil Rights Movement?") caught the dominant national mood. Speaking of black ambitions, Christianity Today lamented much later that "Their tragic misconception that the only barrier to a Negro heaven on earth—conceived in terms of national plenty—is lack of legislation and appropriation shows where modern welfare and government propaganda have brought us." Martin's position was that only a return to nonviolent demonstrations, on a scale grander than in the past, could prevent worse disasters during the summer of 1968: "I think we have come to the point where there is no longer a choice between nonviolence and riots. It must be militant, massive nonviolence, or riots." In 1964, he had stated that:

"White Americans must be made to understand the basic motives underlying Negro demonstrations. Many pent-up resentments and latent frustrations are boiling inside the Negro, and he must release them. It is not a threat but a fact of history that if an oppressed people's pent-up emotions are not nonviolently released, they will be violently released. So let the Negro march. Let him make pilgrimages to city hall. Let him go on freedom rides. And above all, make an effort to understand why he must do this. For if his frustrations and despair are allowed to continue piling up, millions of Negroes will seek solace and security in black-nationalist ideologies."

Repeatedly, he had warned the nation (and militants had scathingly reproached him for it) that a rhythm of political and, later, socio-economic concessions had to be maintained in order to avoid black violence and permanent alienation. But the whites were not ready to understand, and pleas such as this merely confirmed his accommodationism in the eyes of the militants.

The SCLC leadership was not sure that the second march on Washington would not be counterproductive. Before the final plan was completed in mid-February, Martin summoned a January meeting of ministers in Miami, Florida, to obtain official sanction. The ministers voted to follow their leader, but it was obvious that they would have preferred to have been excused from this commitment. Bayard Rustin's frank statement to them that Martin now lacked the economic resources and federal forbearance characteristic of his past demonstrations and that he, Rustin, would not support the Poor People's Campaign further shook their confidence. For the moment, the Urban League and the NAACP refrained from public comment, but no special powers of divination were required to know that they disapproved. Martin threw him-

self into the campaign all the more determinedly, as his intimates and the public doubted or opposed it. He spoke of the "crisis we face in America" with more intensity and foreboding than before. "The stability of civilization, the potential of free government, and the simple honor of men is at stake," he proclaimed. He praised those who dissented from the easy consensus of uninquisitive patriotism and limited social meliorism. His Massey lectures, recorded for delivery over the Canadian Broadcasting Corporation, reflected this redoubled sense of urgency when he declared that "Nonviolent protest must now mature to a new level to correspond to heightened black impatience and stiffened white resistance." This "higher level is mass civil disobedience."

Regularly, he announced from the pulpit of Ebenezer and from a forest of rostrums the latest figures on civilian and military casualties, obliteration of villages, and compounding of economic costs of the Vietnam war. Whitney Young, at the request of Lyndon Johnson, and Senator Brooke, on his own initiative, went to Vietnam and returned, to plead that the conduct of the war be left to the White House and its experts. Patriotism, both suggested, commanded that the government be given the benefit of the doubt. "Our loyalties must transcend our race, our tribe, our class, and our nation," Martin countered, "and this means we must develop a world perspective." It was absurd to expect peace to emerge from a conflict in which American "integrity" was no longer credible. His government had supported the "murderous reign of Diem," poured gallons of napalm over the Vietnamese countryside, cynically distorted the goals and composition of the National Liberation Front, and then spoken of "aggression from the North" as if there were nothing more essential to the war. Although aggrieved by the asocial extremism of "hippie" youth, he interpreted its conduct as the result of the tragic debasement of American life and approved the diagnosis of Paul Goodman's "Growing Up Absurd." The slaughter in Southeast Asia understandably reinforced the alienation of Americans younger than twenty-five. Martin saw that "in many respects their extreme conduct illuminates the negative effect of society's evils on sensitive young people."

For him, as for the youth, Lyndon Johnson was becoming the embodiment of inflexible, outmoded cant and political devousness. In his final months, he believed that Johnson was devoid of statesmanship, in part because he had been trapped by the "military-industrial complex." But, mainly, it was a failing of character of the kind that had not afflicted John F. Kennedy. Kennedy could admit error, as he did after the Bay of Pigs—"But Lyndon Johnson seems to be unable to make this kind of statesmanlike gesture in connection with Vietnam." The President's domestic record was impressive and rested upon a realistic response to the racial crisis and superlative skill in guiding legislation through Congress. The ultimate credit for civil rights legislation, however, belonged a fortiori to the American black man, said Martin. More significant, unimplemented legislation was an embittering hoax. President Johnson had shown little diligence about implementing the very legislation that he had authored. Congress was now determined to play "Russian roulette with riots" rather than fund comprehensive poverty programs.

Martin rejected the depth and the durability of the much-discussed racial "back-

lash." A poll of black Americans in *Fortune* revealed an encouraging 80 per cent preference for his methods, and a slightly lower percentile of admiration for him personally. The Lou Harris poll indicated that most white Americans were ahead of the White House and Congress in believing that some measure of economic redress was owed the blacks. The march of the poor to Washington, Martin was certain, would very likely be the final positive prophylactic endeavor to avert a racial holocaust. "The flash point of Negro rage is close at hand," Look quoted him as saying. Obviously the White House was not listening, for it refused to accept the findings of its own National Advisory Commission on Civil Disorders, released in February, 1968. The Commission's report directly charged white America with racism and predicted the rapid development of two separate, hostile, and unequal American racial societies, if drastic reforms were not undertaken. Vice-President Humphrey dutifully regretted the Kerner Report's harsh judgments.

Civil rights as a political issue now had limited and diminishing national appeal, but criticism of American entanglement in Southeast Asia suddenly became immensely appealing and viable at the close of 1967. In mid-October, the Conference of Concerned Democrats had met in Chicago under the chairmanship of Allard K. Lowenstein, to seek an alternative candidate to Lyndon Johnson. On November 30, Senator Eugene McCarthy announced his candidacy. Although his campaign was distressingly white and affluent-liberal, and although it made not the slightest curtsy in the direction of Martin King, whose months of painful unpopularity had been such an important force in shaping the anti-Vietnam position, McCarthy's New Hampshire Primary victory was an implicit and deeply rewarding vindication. On March 15, Robert Kennedy became an official candidate. The junior senator from New York also vigorously opposed the Administration's conduct of the war. Martin's position became much more respectable nationally and within the black community. He declined to endorse either candidate, although he congratulated the California Democratic Council on March 16 for backing McCarthy, adding that "Both men have the ability of grappling meaningfully and creatively with the problems in the cities and with racism." The important thing was to prevent the renomination of Lyndon Johnson.

If Martin had been right about Vietnam, it was possible that the people would come to see that he was also right in his appraisal of domestic poverty and racism. The candidacies of Senators Kennedy and McCarthy were certainly an encouragement, but his plans would not have altered if neither of them had entered the presidential contest. Despite the continued opposition of his top advisors—Bayard Rustin, Michael Harrington, and others—at the January planning session in New York he virtually forced the acquiescence of the SCLC in the Poor People's Campaign. On February 12, 1968, his staff finished the master plan for the Poor People's March. The initial cadres would be drawn from ten cities and five rural districts located in the East, Midwest, South, and Appalachia. From Roxbury (Boston's ghetto), Chicago's Lawndale community, Mississippi, and West Virginia, three thousand volunteers would travel in caravan to a shanty town erected in the capital. From there they would make daily sorties over a three-month period (from April 20) to the

Senate, the House of Representatives, and the headquarters of cabinet agencies such as Agriculture, Health, Education, and Welfare, and Housing and Urban Development. "We will place the problems of the poor at the seat of government of the wealthiest nation in the history of mankind," Martin wrote, "If that power refuses to acknowledge its debt to the poor, it will have failed to live up to its promise to insure life, liberty, and the pursuit of happiness to its citizens."

The core of their demands was to be a \$12-billion "economic bill of rights," guaranteeing employment to all the able-bodied, viable incomes to those unable to work, an end to housing discrimination, and the vigorous enforcement of integrated education. The demands were intentionally vague, not restricted to specific legislation, in order to guard against the seduction of empty promises and legislative feints. The intensity and size of the campaign would be determined by congressional response. An unfavorable response would result in thousands more converging on Washington, with the original contingent acting as nonviolent marshals. The plan also envisaged simultaneous demonstrations of the poor on the West coast.

The stratagem was bold and imaginative. It provided, at least theoretically, a solution to fundamental problems in nonviolence, if, for the first time since leaving the South, Martin was looking to the Poor People's Campaign and beyond toward a national political base, as the evidence supports, he might have achieved the leverage with white activist groups that had consistently eluded his grasp. "Our challenge," he wrote now, "is to organize the power we already have in our midst." The black poor—domestics, sanitation workers, victimized tenants, seasonal laborers—organized into unions across the nation would, he thought, have a powerful appeal. Until now, the involvement of the white liberal and the white labor unions in civil rights had been voluntary, patronizing, and governed in enthusiasm and duration by pre-emptive sets of cultural, organizational, and politico-economic values. A true community of interests existed at only the most superficial level. If the cries of "burn, baby, burn!" exhilarated black youths and gave a measure of vicarious satisfaction to a majority of their elders, they appalled *blancs* and whites. Similarly, Vietnam at first was never a spontaneous and passionate issue among the majority of blacks. Conversely, the issues by which white students justified their anti-establishment insurgency really made sense only to those whose middle-class existences drove them to become *déclassés*. If jobs and housing did mean the same thing to the unions and the black workers, it was only more necessary that the unions appear at civil rights rallies while ubiquitously refusing to open their ranks to blacks or encouraging their members to open their neighborhoods to them.

The movement that Martin envisaged must be "powerful enough, dramatic enough, morally appealing enough, so that people of goodwill, the churches, labor, liberals, intellectuals, students, poor people themselves begin to put pressure on congressmen." He had refused to consider running for the presidency on a third-party peace ticket, but the offer proved his value to the political dissidents. He might shortly have a poor-people's front prepared to march with the antiwar legions, which would give him a different caliber of sup-

port—one based no longer on the vagaries of pure humanitarianism but on specific mutual benefit. Such a coalition would be proof against the Gresham's law of Black Power and violent or separatist ideologies. To those who accused him of removing himself from the eye of the civil rights hurricane, Martin could answer that a knowledge of meteorology was much more relevant. He began to speak more of the class struggle, in addition to the racial, as 1968 opened.

This new vision of domestic problems held considerable danger. There were deadly charges and political slogans that Martin's opponents would draw from a radical, working-class political movement. When questioned about the SCLC's nonviolent populism, Andy Young's habit was to appear dumbstruck. "I don't know about that. I am doing what I joined the ministry to do!" and he would cite a relevant parable from the teachings of Jesus. Martin knew that middle-class blacks and many of the simple church people would recoil at the prospect of an occupation of the capital. He was nevertheless prepared to lose their support. He was equally realistic about the response from Congress. "It is a harsh indictment," Martin believed, "but an inescapable conclusion, that Congress is horrified not at the conditions of Negro life but at the product of these conditions—the Negro himself." Martin added, with obvious relish at the turn of phrase, "For two years we have been discussing philosophy. We have been bogged down in the paralysis of analysis." Henceforth, he intended to be action personified.

After preaching one of his most unusual sermons to the Ebenezer congregation on February 4, he and Ralph were in Washington on Monday and Tuesday to attend a memorial service for the fallen of the Vietnam war and a peace rally where he spoke of the contemporary conditions of the black worker, which were worse than the plight of his white counterpart during the Great Depression. After Washington, they went South, combining a people-to-people tour and talks with SCLC staffers about the poor-people's undertaking. February 15 was spent in Birmingham, the next day divided between speeches in Selma and Montgomery. Before the final drive began, Martin, Coretta, and Andy flew to Jamaica for a quick rest. A week later, February 23, he was in New York to participate in a Carnegie Hall tribute to W. E. B. DuBois, along with James Baldwin and Ossie Davis. An old ally, James O'Dell, now with "Freedomways," had handled much of the planning for the occasion. Martin's speech was eloquently moving. In his reference to DuBois the man—"He confronted the establishment as a model of militant manhood and integrity. He defied them and though they heaped venom and scorn on him, his powerful voice was never still"—there was a vibration of his own severely tested manhood. O'Dell must have been gratified to hear the speaker declare that "So many would like to ignore the fact that DuBois was a Communist in his last years. . . . Our irrational, obsessive anti-Communism has led us into too many quagmires." The ovation drowned out the words that followed. On March 17, he interrupted a Southern recruitment drive for the campaign to speak in the barony of Detroit's wealthy, Grosse Pointe. He was outrageously heckled for his Vietnam views. The next day, he answered James Lawson's appeal to come to Memphis. ●

TRIBUTE TO FRED J. KROLL

HON. WYCHE FOWLER, JR.

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. FOWLER. Mr. Speaker, I want to express to you my deep sadness over the recent passing of a great leader and a person for whom I have long had the greatest admiration.

Fred J. Kroll, president of the Brotherhood of Railway & Airline Clerks (BRAC), lost a 5-year struggle with leukemia on July 30, 1981. Fred's work and dedication will be sorely missed by his associates and his friends.

Fred was highly effective in his leadership role. It was in large part due to his efforts that the recent compromises on Conrail, AMTRAK, and railroad retirement were reached in the budget reconciliation bill. As a result, vital freight and passenger rail service will be saved and a large number of jobs will be preserved. Equally critical is the compromise package on railroad retirement that will insure timely and adequate retirement benefits to retired railroad employees.

Originally from Philadelphia, Pa., of a family involved in trade union activity, Fred launched his rail career in 1953 as an IBM machine operator on the former Pennsylvania Railroad. There he served in leadership positions in Quaker City Lodge 587. This eventually culminated in his being elected to the presidency of the international in 1976. He was regarded so highly that he was reelected to his position by acclamation in 1979.

Just recently, he spearheaded the April 29 rail labor rally in Washington in which over 20,000 railroad workers participated to protest President Reagan's budget-cutting initiatives. Fred Kroll's forceful leadership and his ability to forge an effective compromise on the issues will not soon be forgotten. ●

COAL GASIFICATION—AN ENTREPRENEURIAL OPPORTUNITY

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mrs. BOUQUARD. Mr. Speaker, building coal gasification plants could very well be one of the most profitable long-term business investments available for today's risk capital. A recent report issued by the Gas Research Institute, a nonprofit organization, states that the cost competitiveness of the gas from a coal gasification plant built now will improve over the life of the plant. The implication to be drawn is that large profits could result in

later years when the production costs are low compared with the prevailing production costs of either extracted energy sources like natural gas and oil.

So what is the problem? The report states that during the 1980's the initial price of this gas will probably be higher than extracted gas prices. The implication to be drawn from this is that little or no profits and possibly losses could be expected for as long as 8 or 9 years of operation.

As an example, the report refers to a hypothetical oil shale plant that could have been built economically in 1972 if the oil sold for \$5 per barrel—now the break-even price is \$40 to \$60 per barrel because of inflation and other factors. Had that facility been built in 1972, it would be more than competitive and overwhelmingly profitable today.

When one considers the estimates of the additional world oil premium that the United States must pay, estimated at \$5 to \$35 a barrel, the national economics are even more compelling.

The dilemma facing the industry is that if short-term considerations dominate, then extracted energy sources are the least cost alternatives. However, if long-term considerations dominate, then manufactured fuels are the least cost alternatives even though in the short term they are not the least cost.

The executive summary of GRI's report follows for you to draw your own conclusions:

COAL GASIFICATION COMPETITIVENESS BY
THOMAS J. WOODS

[Charts not printed in the RECORD]

The purpose of this paper is to assess the extent to which coal gasification could be considered a viable commercial source of pipeline quality gas in the light of recent changes in expectations for the prices of extracted gas. Assessing the economic competitiveness of high-Btu gas from coal is not a straightforward process. As illustrated in Figure 1, the relative annual production profiles of extracted fuels (Devonian shale, tight sands, conventional natural gas) are totally different from each other as well as from the production profiles of "manufactured" fuels (synfuels, base load power plants). As a result, any comparison of the production costs for extracted fuels must reflect their declining rates of output in order to put them on the same output basis as manufactured fuels which have constant rates of output.

When the declining output is taken into account, the capital investment for extracted gas, even assuming no increase in real drilling costs, is comparable to that required for a coal gasification facility.¹ If the declining quality of the remaining undiscovered resource base is also taken into account, along with the fact that real drilling costs have grown more than 7 percent a year since 1973, coal gasification would appear much more attractive than extracted gas.

Although coal gasification might be more attractive than extracted natural gas in the

long term, its high front end costs will tend to make it more expensive than most extracted natural gas sources in the short term. However, because about two-thirds of the cost of coal gasification is fixed, its real cost over time will decline. This is illustrated in Figure 2 for the proposed ANR coal gasification facility.² With a 6.5 percent assumed average annual inflation rate, the cost of gas in constant dollars from the ANR facility is estimated to fall almost 5 percent a year. After 25 years of operation the estimated cost of gas (constant dollars) would be less than one-third the cost in the first year of the facilities' operation.

On the other hand, because additional natural gas reserves must be discovered and developed to compensate for the declining original production of natural gas, it is unlikely that the real cost of natural gas would remain constant. The large increases in drilling costs over the past few years make it very likely that costs will grow, perhaps quite rapidly. As a result, even though gas from coal may start out more expensive than natural gas, after a few years of operation, the gas produced in the facility should be cheaper than natural gas.

High-Btu gas from coal becomes competitive with natural gas when the average price for both sources are equal over the lifetime of the gasification facility. The higher the expected rate of inflation in the economy or in the real price of natural gas, the higher the initial price of high-Btu gas from coal can be relative to natural gas prices. Figure 3 compares the relative initial costs at which gas from coal would become competitive with natural gas under cases of no real growth and 3 percent average annual growth in extracted gas costs for a coal gasification facility lifetime of 20 years. Figure 3 shows that, at a 6 percent average annual inflation rate, high-Btu gas from coal would be competitive with natural gas if its initial costs were no more than double that of extracted gas when natural gas prices grow 3 percent a year faster than inflation. At a 7 percent average annual growth in natural gas prices, comparable to the real growth rate in drilling costs in the past few years, gas from coal could start out at twice the cost of extracted gas and be competitive with natural gas even if there were no inflation in the economy. Of course, if the gasification facility could operate more than 20 years, then its initial cost relative to natural gas could be even higher.

While the above discussion indicates that, in an inflationary environment escalating natural gas prices improve the competitiveness of coal gasification, the absence of real growth in world oil and natural gas prices may not have as negative an effect on the competitiveness of coal gasification as might first appear. Stable energy prices would probably slow the rate of inflation and thus lower the cost of capital. Because at least half of the increased costs for high, Btu gas from coal from 1976 to 1980 were from increased costs of capital, lowering the cost of capital would improve the competitiveness of gas from coal. For example, were it possible to finance coal gasification at 1976 rates, gas from coal would cost somewhat more than \$5.00 per MMBtu. This would be more than competitive with crude oil prices today which are almost \$6.00 per MMBtu. It would, in fact, be close to the price allowed

¹ Thomas J. Woods, Cost Competitiveness of Supplemental Gas Supplies: A Hint of an Explanation, (May 5, 1981).

² Data taken from FERC Opinion No. 69 (Docket No. CP 78-391), p. A-7.

under NGPA for tight formation gas (\$4.89 per Mcf in May 1981).

CONCLUSIONS

The introduction of high-Btu coal gasification facilities into the U.S. gas grid provides an energy source whose real price declines over time. The price that is paid for such a source is the initial high cost of the gas. In the 1980s this initial price will probably be higher than extracted gas prices. However, by the 1990s, if the current escalation rates of drilling costs continue, it is possible that the initial price from a new coal gasification facility could even be lower than the prices of some extracted gas sources. At such a point it would be very likely that the interest in building synthetic gas facilities would grow substantially.

If drilling prices do not grow very rapidly, it will be very likely an indication that extracted production is falling rapidly. Under such circumstances coal gasification would be needed to counteract that decline. As in the case of unconventional natural gas, the role of gasification cannot be adequately assessed outside the overall gas supply picture.

The analysis has also demonstrated the major role financing plays in determining the commercial attractiveness of coal gasification. Because financing is subject to institutional and market factors, proper selection among alternative financing techniques can significantly reduce the costs of gas from coal. Under such circumstances, coupled with its declining real price, coal gasification should not be seen as a contribution to price surges, at least in the long term.

Lastly, the cost competitiveness of coal gasification facilities improves over time, even if a new plant is built each year. If a new coal gasification facility were brought into operation every year for 25 years, the estimated life of the ANR facility, coal gasification would be providing 2.2 Tcf of gas to the U.S. energy system. At the end of this 25 years, however, the average real cost of high-Btu gas from coal gasification facilities might be little more than half the cost of this gas when the first facility opened 25 years before. Under such circumstances, while coal gasification is very expensive in the short term, in the long term it very well may be the only declining real cost source of gas available.

Delaying the development of manufactured fuel facilities until the price of natural fuels rise would accomplish little in the way of improving the short-term economics of manufactured fuel facilities. Manufactured fuel prices that would be lower than extracted fuel prices in 10 years are from facilities which are built today, when they are higher-priced than extracted fuels. In 10 years, although the prices of natural fuels will have escalated, so will have the first-year price of the manufactured fuels. This has been observed, for example, in oil shale when, before 1973, it was claimed that the crude price need only go to \$5.00 per barrel to make an oil shale facility economical. Today the price is about \$35.00 a barrel and the competitive price for oil shale is \$40.00 to \$60.00 per barrel. However, had an oil shale facility been built in 1972, it would be more than competitive and overwhelmingly profitable today.

The selection of manufactured or extracted fuels will be largely determined by the time horizon of the decision-maker. If short-term considerations dominate, then extracted energy sources (e.g., natural gas, crude oil) are the least-cost alternatives, even

though in the long-term they will not be the least-cost paths to follow. On the other hand, selection of the long-term least-cost path would result in selecting fuels which, in the short-term, are not the least-cost. The dilemma facing the energy industry, and ultimately the consumer, is something which will be resolved in the manner in which previous societies chose to abandon slash and burn agriculture and enter stable agricultural patterns or chose to go from pre-industrial to industrial economies. It is a situation in which the classical decision-making modes of one world cannot be directly extended to the other. ●

THERE IS NO TOBACCO SUBSIDY—LET US SET THE RECORD STRAIGHT . . .

HON. CHARLES WHITLEY

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. WHITLEY. Mr. Speaker, one of the most misunderstood facets of tobacco is the Federal price support program. Critics denounce a bureaucracy which—they say—gives taxpayers' money to farmers to grow the leaf while discouraging tobacco smoking.

To set the record straight, one needs answers to these questions:

First, how does the program really work?

Second, how do the books balance, as far as taxpayers are concerned?

Third, do the Government's farm and antismoking programs really conflict?

In fact, there is no tobacco subsidy. There is a Government price support and production control program. It guarantees farmers a minimum price for their tobacco, as other programs do their corn, rice, peanuts, and cotton—13 different commodities altogether.

Permanent Government programs aimed at stabilizing the national economy including agriculture, date back to the 1930's, when the Great Depression was threatening to destroy America's economy. The 1932 tobacco crop sold for 9 cents a pound, and farmers were using leaf as fuel rather than sell at a loss.

WHAT IS A SUBSIDY?

Webster defines "subsidy" as a "grant of money." Yes, the Government loans money to tobacco farmers. But the Government does not grant money to tobacco farmers; the farmers borrow it, using their crops as collateral—some \$5.5 billion since 1933. The repayment rate—Government books show but a \$57 million net loss—is about 99 percent.

The money is not a gift. It is a loan, repaid with interest. In the 47 years since the tobacco price support program began, it has been the most successful farm program the Government has ever had.

HOW PRICE SUPPORT WORKS

All types of tobacco are eligible for price support. The program is voluntary, with growers of each type of tobacco given the option, via referendums every 3 years, to participate. Currently, 20 of the 24 types of tobacco grown in the United States and Puerto Rico fall under price support guidelines.

To be eligible to participate in the program, tobacco growers accept strict acreage and poundage allotments set annually by the U.S. Department of Agriculture (USDA). Total allotments, the national marketing quota, equal the amounts USDA estimates will meet domestic tobacco industry and foreign buyer needs.

The price support program does more than control quantity. It also establishes a minimum price for tobacco sold at auction. This minimum price is especially important to the tens of thousands of farm families who grow tobacco on acreage so small that no other crop there could support a family.

Most tobacco today is sold at a warehouse auction after grading for type and quality. The grade determines the per-pound support price.

If a grower's tobacco fails to bring an auction bid of at least 1 cent per pound above the support price, and if the grower has not exceeded his production quota, he is eligible for a Government loan equal to the support price. The tobacco is taken as loan collateral by a grower owned and operated cooperative, which processes and stores it for future sale.

WHAT IT COSTS

Among the most imperishable of farm crops, tobacco can be stored for several years before being sold in a more favorable market.

Loans are made on a crop-year basis, and it may take a number of years to dispose of loan receipts from a particular crop. However, when the cooperative sells the tobacco, each Government loan is repaid with interest. If sale proceeds do not cover the loan, the unpaid balance is written off as a program cost. If proceeds exceed the cost of the loan, interest and storage charges, the net is distributed to the growers.

The price stabilization and production control legislation was designed to insure that the farmer would earn a reasonable return for his considerable investment, yet provided for an adequate supply of tobacco to meet domestic export needs.

The Commodity Credit Corporation (CCC) administers the price support loans for USDA and does incur certain other expenses. For example, fluctuations in the interest market have occasionally caused gaps between the interest rate determined by CCC at the start of the crop year and the rate

paid by CCC on later loans. Variable rate loans, initiated with the 1981 crop year, are intended to minimize this expense.

Operating on the same principle as that behind the variable rate mortgage, CCC will reevaluate interest rates now twice a year. This means the interest rate the farmers' co-op pays on price support loans could change as often as every 6 months until all of that year's tobacco is sold.

USDA also has administrative costs and market news service, plant research and extension program expenses—totaling about \$22 million in 1980. Until recently, farmers also received inspection and grading services free of charge. That cost USDA about \$8 million in 1980. In the future, the growers will pay for inspection and grading themselves.

The current \$57 million net loss on CCC tobacco loans is the result of but 2 or 3 bad years. This amounts to just one-tenth of 1 percent of all losses for all commodity price support programs (see table). Loan payments—plus interest—have exceeded losses in almost all 47 years.

During the half century that the tobacco program has incurred this relatively modest Government expense, tobacco product purchasers have paid Federal, State, and local treasuries more than \$130 billion in excise taxes.

THERE IS NO TOBACCO SUBSIDY

So there is no tobacco subsidy. Some misinformed critics argue that, even if there is no subsidy, the program makes tobacco products more readily available. But they ignore two basic facts:

First, the program is intended to, and does, keep tobacco leaf prices higher than they would be without it.

Second, the program is intended to, and does, keep domestic tobacco supplies lower than they would be without it.

Ending the program could bring these disastrous results: overplanting by big farmers and by newcomers, a drop in price, a decrease in income for many small farmers who depend upon income from an acre or two of leaf for their existence, and the squeezing of small farmers off the land because banks and other financial institutions will not provide operating loans without guarantee of repayment, which is presently assured by the price support program.

There would be widely decreased tax collections in the 20 States that grow tobacco, widespread disruptions in banking and commercial systems and—to continue the scenario to its logical conclusion—regional recessions.

If Congress were to heed critics, considerably increased acreage could be devoted to tobacco. With restrictive quotas gone, a large tobacco supply would enter the market—at reduced prices.

ENCOURAGES SMOKING?

Does the price support program encourage starting or continuing to smoke? Yes, say critics. No, say Government health officials.

John Pinney, director of the Government's Office on Smoking and Health, declared in 1980:

We've reached the conclusion that the price support program in no way affects any aspect of cigarette smoking. It doesn't have anything to do with whether or not people start. It does not in any way affect whether or not they quit smoking.

And Joseph Califano, then-Secretary of the Department of Health, Education, and Welfare, testified before Congress in 1978:

I do not believe that anyone smokes or doesn't smoke or decides to begin or continue or stops smoking because of the tobacco subsidy. I don't think it is in any way related to that.

He gave the program the wrong name in calling it a subsidy. But he gave it an accurate assessment.

Government price support programs—Direct loss on commodity operations

[October 1933–September 1980]

	Million
Dairy	\$6,025
Corn	3,208
Wheat	2,962
Cotton	2,337
Peanuts	1,141
Sorghum	999
Rice	412
Barley	225
Oats	210
Soybeans	120
Tobacco	*57
Rye	33
Naval Stores	10
Honey	1

*A Government surplus purchasing program begun in 1949.

*\$17 million of this amount is offset by interest payments on the loans on which losses were incurred.

Source: U.S. Department of Agriculture, Agricultural Stabilization and Conservation Service, Commodity Credit Corporation, "Report of Financial Condition and Operations as of Sept. 30, 1980."*

THE PROBLEMS OF THE NUCLEAR POWER INDUSTRY—III

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. HAMILTON. Mr. Speaker, in the April 12 edition of the New York Times Magazine Mr. Anthony Parisi describes the difficult situation of the nuclear power industry in the United States. Entitled "Hard Times for Nuclear Power," Mr. Parisi's piece is quite detailed and comprehensive. It raises questions of clear relevance for those of us who wish to understand the nuclear power industry's condition and prospects. I hope that my colleagues will give the article the close attention it deserves.

Drawing heavily on the information and opinion contained in "Hard Times

for Nuclear Power," I addressed a series of questions to Mr. Joseph Hendrie, then chairman of the Nuclear Regulatory Commission. The response was signed by Mr. Nunzio Palladino, present chairman. My letter to Mr. Hendrie, an interim response, and the final response of Chairman Palladino are reprinted here for the benefit and use of my colleagues.

Members who are interested in further correspondence on this issue should see my extensions of remarks on July 8, July 14, July 15, July 16, and July 17 of this year.

The material referred to follows:

CONGRESS OF THE UNITED STATES,
HOUSE OF REPRESENTATIVES,
Washington, D.C., May 28, 1981.

HON. JOSEPH HENDRIE,
Chairman, Nuclear Regulatory Commission,
Washington, D.C.

DEAR MR. CHAIRMAN: I recently read an article entitled "Hard Times For Nuclear Power" in The New York Times Magazine of April 12, 1981. The author of the article, Mr. Anthony Parisi, is not known to me, but if his observations are accurate then he is raising several important points which must be addressed.

After studying the article quite closely and giving it a good deal of thought, it occurred to me that I ought to get your ideas on a number of matters. Your answers to the following questions would be greatly appreciated:

1. Mr. Parisi states that "nuclear power is shrinking in this country . . . under its own economic weight." He attributes the industry's financial plight to a slackening in demand for electricity in the face of higher prices for fuel. In your opinion, what does the slack demand (high price) referred to by Mr. Parisi mean for the industry in the short run? In the long run?

2. Mr. Parisi claims that existing nuclear facilities save consumers money that they would otherwise have spent to buy coal or oil. He adds, however, that nuclear facilities ordered today would not achieve such savings. Do you agree or disagree? What are your reasons for your view?

3. Because of "slipping economic growth" and "the consumer's decision to shun high-priced energy . . . most utilities today have far more generating capacity on hand than they need," according to Mr. Parisi. Is this an accurate assessment of the situation nationwide? What is the situation in the Midwest? In Indiana?

4. According to Mr. Parisi, analysts on Wall Street are beginning to take a dim view of nuclear facilities, calling them "an unattractive financial proposition" and "too expensive to build . . . to compensate investors adequately." How widespread are such views among analysts and investors? Does your experience lead you to believe that analysts and investors should be skeptical about nuclear power? What does such skepticism mean for the future of the industry?

5. On another question of finance, Mr. Parisi notes that "more than one power company now finds itself in a critical financial squeeze because of nuclear projects that have proved much more expensive than anyone had expected." Is this so? If it is, what are the prospects for these companies?

6. Mr. Parisi acknowledges that federal regulations have hit the industry hard. He then cites a study which concludes that

there will be more, not less, regulation in the years ahead. To your way of thinking, how much of the industry's problem is due to unwarranted regulation? Is it your feeling that the conclusion of the above-mentioned study is correct?

7. According to Mr. Parisi, the "number of new safety problems being detected each year isn't falling, it's climbing—steeply." Is it your impression that he is correct? If so, how would you account for the trend? How would it be perceived by the public?

8. According to Mr. Parisi, groups of citizens who oppose nuclear power have caused utilities to incur only minimal additional expense. Do you agree or disagree?

9. In commenting on the relationship between regulation and economic health in the industry, Mr. Parisi suggests that "even the ministrations of a sympathetic White House are unlikely to cure nuclear's malaise." He then makes the striking claim that "nothing short of a wholesale dismissal of the nuclear community's own safety policies would make a fundamental difference in the economics of nuclear power." What do you think of this point of view?

10. Mr. Parisi reports that among utilities there may now be more interest in coal-fired plants than in nuclear facilities. As concerns cost, he says that "virtually all the analyses show an unmistakable trend toward coal." Do you sense a growing interest in coal among utilities? Is coal in fact overtaking, or has it already overtaken, uranium as a less costly source of electricity?

I understand that I have put a very large number of complex questions to you, but I do want to get a better grasp on the issue of nuclear power and I am certain that you are a person whom I should consult. Please feel free to make whatever additional comments on Mr. Parisi's article you deem to be appropriate. I look forward to hearing from you at the earliest possible date.

With best wishes, I am

Sincerely yours,

LEE H. HAMILTON.

U.S. NUCLEAR
REGULATORY COMMISSION,
Washington, D.C., June 22, 1981.

MR. HUGH KENDRICK,
Acting Director, Plans and Analysis Division,
Office of Nuclear Energy, Department of Energy,
Washington, D.C.

DEAR MR. KENDRICK: The enclosed May 28, 1981 letter from Representative Lee H. Hamilton has requested the NRC to respond to questions concerning nuclear power. Most of the questions raised by Representative Hamilton address economic or broad energy issues which should be answered by the Department of Energy. Accordingly, we propose to respond to questions 6 and 7 relating to the regulation and safety of nuclear power plants, but request that the Department of Energy address the remaining questions.

Sincerely,

T. A. REHM,
(For William J. Dircks, Executive Director for Operations.)

U.S. NUCLEAR
REGULATORY COMMISSION,
Washington, D.C., August 5, 1981.

HON. LEE H. HAMILTON,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN HAMILTON: Thank you for your letter of May 28, 1981 and for bringing to my attention the concerns you raise regarding Anthony Parisi's article on

"Hard Times for Nuclear Power." Most of the questions you ask address national energy policy issues. We have referred these for reply to Mr. Hugh Kendrick, Acting Director, Plans and Analysis Division, Office of Nuclear Energy, U.S. Department of Energy.

I shall respond to those questions that directly relate to NRC's area of responsibility in regulating commercial nuclear power. These questions are as follows:

6. Mr. Parisi acknowledges that Federal regulations have hit the industry hard. He then cites a study which concludes that there will be more, not less, regulation in the years ahead. To your way of thinking, how much of the industry's problem is due to unwarranted regulation? Is it your feeling that the conclusion of the above-mentioned study is correct?

7. According to Mr. Parisi, the "number of new safety problems being detected each year isn't falling, it's climbing—steeply." Is it your impression that he is correct? If so, how would you account for the trend? How would it be perceived by the public?

As a result of the TMI-2 accident, both external and internal investigative studies yielded recommendations for improvements totaling over a thousand. The Action Plan developed by NRC to deal with these recommendations resulted in both short and long range actions, many of which have already been resolved and are in the implementation stages; still others await resolution. While the TMI-2 accident did result in an increase in regulatory activity, I do not believe it can be characterized as unwarranted.

What constitutes warranted vs. unwarranted regulation is a matter not only of how regulators assess the risks, costs, and benefits of technological options, but also of how the public perceives these and arrives at personal decisions to accept or oppose nuclear power plants. The best test of whether new regulations are warranted or not would appear to be found in the establishment of risk/cost trade-off criteria, as recommended by the Kemeny Commission. Establishment of such criteria is one important aspect of NRC's current efforts to formulate safety goals.

It should be understood, however, that the major responsibility for dealing with the safety of nuclear power plants lies with the industry, including utilities, equipment vendors, architect-engineers, construction workers and supervisors. The accident at TMI had its jarring effects not only on the NRC, but also on the industry itself. This has led utilities and other parties in the nuclear industry to independently increase attention to safety problems and develop new safety-oriented organizations such as the Nuclear Safety Analysis Center and the Institute of Nuclear Power Operations, the latter being oriented to improving the man/machine interface in nuclear safety.

Industry efforts such as these, as well as the development of safety goals, should bear fruit in the long run in reducing regulatory burdens on the industry while providing adequate public protection.

Thus, the basis for the conclusions cited by Parisi, that the number of new safety problems will climb steeply in the years ahead, is debatable. Once the large number of safety improvements resulting from TMI have been implemented, we hope to see a decline in the growth of the number of significant new safety problems. However, all of the large plants now on line were designed and built without the benefit of operating experience in units of comparable size.

As operating experience accumulates, the number of "surprises" with backfit implications should decrease. However, there is no way to be confident that we are yet at that point.

I hope that I have been responsive to your questions regarding the Parisi article.

Sincerely,

NUNZIO J. PALLADINO.●

LOUISIANA'S COASTAL MARSH

HON. LINDY (MRS. HALE) BOGGS

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mrs. BOGGS. Mr. Speaker, a recent survey conducted by the U.S. Fish and Wildlife Service has documented that Louisiana's coastal wetlands are being destroyed or altered at an accelerating rate, currently estimated at more than 40 square miles per year, with a resulting total loss of approximately 950 square miles of the State's coastal wetlands between the mid-1950's and the late 1970's.

This problem should be of national concern because Louisiana's estuarine system and associated coastal wetlands produce and nourish fish and wildlife resources of unusual value to the economies of Louisiana, the Gulf region, and the Nation, and these include fisheries, waterfowl, and fur-bearing resources.

I would like to share with my colleagues an article which appeared in the May-June 1981 issue of the Louisiana Conservationist on this very serious problem:

CRISIS IN THE COASTAL MARSH

(By David Fruge)

WETLANDS LOSS IN LOUISIANA IS CRITICAL TO WATERFOWL, ALLIGATORS, FURBEARERS, OTHER WILDLIFE, AND COMMERCIAL AND SPORT FISHERIES

Louisiana's vast coastal marshes are disappearing. The wetlands that support coastal Louisiana's rich fish and wildlife resources are literally vanishing. If the present rate of loss continues, major areas of the Louisiana coastal region will be claimed by water within fifty years.

These are the disturbing findings of recent studies conducted for the U.S. Fish and Wildlife Service and the U.S. Bureau of Land Management by Coastal Environments, Inc., a Baton Rouge consulting firm headed by noted geologist Dr. Sherwood Gagliano.

THE PROBLEM

Studies show that the rate of change of Louisiana's coastal wetlands is two to three times greater than previously believed. Prior studies placed coastal land loss at 16½ square miles each year. Marsh losses alone now exceed thirty-nine square miles per year.

Figures further indicate that over 500,000 acres or 800 square miles of southeastern Louisiana coastal wetlands have been lost or drastically altered since the mid 1950's. Over 800,000 acres of land have been lost along the coast from Vermilion Bay to the Mississippi state line. Fresh water marsh

has experienced greatest reduction (about 90 percent of the total) with forested wetlands constituting a majority of the remaining wetlands changes. For the entire Louisiana coast, marsh losses alone now exceed 25,000 acres each year.

These figures are staggering.

Louisiana's wetlands provide habitat for more than two-thirds of the Mississippi Flyway's wintering waterfowl plus many other migratory birds such as rails, snipe, and gallinules. The largest fur and alligator harvests in the United States and over 25% of the country's commercial fisheries production come from our wetlands. The marshes and estuaries are nursery grounds for shrimp, oysters, and crabs, and stand as the basis for Louisiana's international reputation as a seafood state.

Important commercial species include shrimp, bluecrab, oysters, menhaden, croaker, speckled trout, sand trout, and redfish. The game fish list is even longer and Louisiana's coastal marshes are truly a paradise for recreational anglers.

No other state in the union enjoys such lush, productive wetlands.

The vast Louisiana coastal marshes stretch from the Sabine River on the west to the Pearl River on the east, and extend more than sixty miles inland from the Gulf of Mexico. According to a survey conducted in 1968 by Dr. Robert Chabreck of Louisiana State University, coastal Louisiana contains about 2.5 million acres of fresh to saline marsh, 1.8 million acres of ponds and lakes, and 2.2 million acres of bays and sounds. There are two distinct regions along the Louisiana coast: the Mississippi Deltaic Plain of central and eastern portion and the Chenier Plain of the western portion. Both of these regions have been developed over the past 5,000 years by a series of deltas built by the Lower Mississippi River.

THE CAUSES

Wetlands loss in coastal Louisiana results from a combination of natural and man-made impacts.

Natural loss occurs when wetlands sink and erode after active delta building ceases. The erosion of barrier islands and widening of tidal passes also lead to increased wetland loss.

Man has increased the rate of wetlands loss through many of his activities. The construction of the massive Mississippi River and tributaries project, involving the construction of federally financed mainline Mississippi River levees and upstream diversions and flood control reservoirs, has prevented overbank spring flooding along the lower Mississippi River. Natural overflow is nature's tool in building the delta, the depository of bits and pieces of North America carried from the river's source, its tributaries, on down to its mouth.

As a result of levees (essential to the protection of river cities), most of the marsh building sediments are now being carried into the deeper waters of the Gulf of Mexico. This waste of sediment has, except in Atchafalaya Bay, prevented large scale building of new delta marsh that would help offset the rapid rate of wetland loss. It has also hastened the breakdown of existing marshes.

Another major cause of wetland loss is canal dredging and disposal of the dredged material or spoil. A report published in 1973 by Dr. Sherwood Gagliano indicated that dredging associated with oil and gas exploration and production accounted for nearly 25 percent of the total land loss in coastal Louisiana.

Drainage of marshes and swamps for agricultural or urban development is also a factor.

Salt water intrusion, another major cause of wetlands deterioration, has been accelerated by the digging of large federally funded navigation canals. An example is the Mississippi River Gulf Outlet, a channel 36 feet deep by 500 feet wide extending for 78 miles from New Orleans to the Gulf beyond the Chandeleur Islands.

Following the initial digging of this waterway in the late 1950's and early 1960's, water salinity tripled in the St. Bernard Parish wetlands. Large expanses of cypress trees killed by the influx of salt water in the Chalmette-Violet area serve as a memorial to the once thriving cypress swamps.

Salt water intrusion is also largely responsible for the loss in 1978 of the 20,000 acres of fresh marsh that were present in St. Bernard Parish in the mid-1950's, and the loss of 215,000 acres of fresh marsh in the Barataria Basin during the same period. Other major navigation channels which have contributed greatly to salt water intrusion include the Barataria Bay Waterway, the Houma Navigation Canal, and the Calcasieu Ship-Channel.

THE LOSS IS MORE THAN LAND

Louisiana's rich coastal fisheries are largely dependent on the coastal marshes. Extensive research, much of it conducted by biologists with the Department of Wildlife and Fisheries and Louisiana State University, has shown that our wetlands provide vital nursery habitat for shrimp, crabs, and fish which spend all or part of their life cycle in Louisiana's estuaries.

In recent years, shrimp and menhaden have accounted for more than 95 percent of the total poundage of commercial fish and shellfish landed in Louisiana. Scientists have presented evidence that both shrimp and menhaden are being harvested at or near full capacity or "maximum sustainable yield".

For instance, despite a fairly stable commercial shrimp harvest in Louisiana since 1940, the yearly catch of shrimp per licensed trawl has declined by nearly 90 percent since that time. Dr. Eugene Turner of Louisiana State University has recently reported that Louisiana's inshore shrimp catch is directly proportional to acreage of intertidal vegetation (primarily marsh), and that wetlands loss has a direct negative impact on fisheries.

In other words, shrimp production is dependent on the marsh, and the loss of marsh reduces that production. Therefore, the future of Louisiana's rich coastal fisheries appears to be in grave danger with continued rapid loss of its coastal marshes.

Wildlife also faces serious habitat decline as a result of continued marsh loss and salt water intrusion. For the millions of migratory waterfowl that winter in Louisiana, the rapid conversion of fresh water marshes to open water, non-wetlands, or more saline marsh types will be especially severe.

Department of Wildlife and Fisheries biologists have found that the fresh and low salinity (intermediate) marshes winter almost twice as many puddle ducks (mallards, teal, pintail, etc.) as do brackish and salt marshes. U.S. Fish and Wildlife Service biologists have estimated that the deficit in the supply of waterfowl hunting will exceed 336,000 recreation days by the year 2000. In other words, the marsh remaining then will not nearly support the number of hunters who will want to hunt at that time. Habitat for other marsh birds such as rails, galli-

nules, coots and wading birds will also be reduced by continued wetland deterioration.

Louisiana's fur production is also threatened by rapid wetlands loss, especially in the fresh water marshes. Nutria comprise over two-thirds of Louisiana's fur harvest and nutria harvest is highest in fresh marsh, lowest in salt marsh. Alligators also reach their greatest numbers in the fresh and intermediate marshes. Therefore, continued marsh acreage declines are expected to result in reduced populations of fur animals and alligators, especially as land loss and salt water intrusion reduce fresh water marsh acreage.

There is a crisis in our coastal marsh.

SOME POSSIBLE SOLUTIONS

The primary means of reducing the loss of Louisiana's coastal marshes involves diversion of Mississippi and Atchafalaya River water into adjacent wetlands to reduce salt water intrusion and create new marsh. In diverting fresh water to reduce salt water intrusion, gates must be placed in the levees of the Mississippi or Atchafalaya Rivers so that controlled amounts of fresh water can be diverted to adjacent marshes and bays during periods of high river levels.

Although such projects are not designed to build new marsh, biologists believe that the nutrients and limited amounts of sediments carried into the marshes by the diverted water would reduce the present rate of loss. With projects designed to create new marsh, large volumes of Mississippi River water would be diverted into shallow protected waters, probably near the mouth of the Mississippi River. Marsh building sites could be located so that effects on oyster producing areas are minimized.

Several federal water resource studies being carried out under the leadership of the U.S. Army Corps of Engineers offer promise for large-scale fresh water diversion into the marshes. It is quite possible that these studies will conclude with recommendations for construction of fresh water diversion projects. Such projects would help to offset adverse effects on Louisiana's wetlands brought about by the construction of levees along the lower Mississippi River and the excavation of federally funded navigation channels.

The Louisiana legislature has already recognized the need to restore and enhance the wetlands of Louisiana's coastal zone. In 1979, it enacted legislation directing the preparation of a fresh water diversion plan for the state. Work is underway on that plan, under the supervision of the coastal management section of the Department of Natural Resources.

Most important of all, the Department of Wildlife and Fisheries, the Department of Natural Resources, and the U.S. Fish and Wildlife Service must and will continue to work hand in hand to develop a restoration program for Louisiana's coastal wetlands.

It is clear that the important fish and wildlife resources of coastal Louisiana are threatened by continued rapid degradation of its marshes and swamps. This problem is widely recognized by natural resource managers, scientists, trappers, hunters, sportsmen, and other members of the public.

Sound measures are available to at least reduce this loss. However, firm action must be taken to implement these measures at the earliest possible date.

Without such action, an important part of this nation's fish and wildlife heritage will be lost forever. ●

NCPAC: DISHONEST BLIGHT ON THE AMERICAN ELECTORAL PROCESS

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. ALEXANDER. Mr. Speaker, an ominous black cloud hangs over America's free political system, threatening to destroy the principles of truth and fairness that insure the continued stability of our Nation.

The threat comes from the vicious and irresponsible activities of a man named John T. Dolan and his organization, the National Conservative Political Action Committee, more commonly referred to as NCPAC.

Mr. Dolan is a brash young man with a careless disregard for truth. He uses the cloak of political conservatism as a cover for selfish and dangerous opportunism. He makes no secret of the fact that he is intent upon wrecking the safeguards in the Federal election reform law—no matter what it takes to do so.

"They're gonna take me kicking and screaming to jail before I stop my activities," he bragged in an interview last year with the Washington Post.

Mr. Dolan carries on his guerrilla warfare campaign against our electoral system by using the "independent expenditure" loophole in the election law. Basically, this allows so-called independent groups to spend as much money as they like to support or oppose candidates—so long as there is no cooperation or collaboration between these independent groups and the legitimate, authorized campaign organizations.

Using this gimmick, Mr. Dolan and his group prepare "hit lists" of intended victims among elected officials. How long or how well an official has served his constituency seems to make little difference to Mr. Dolan and his wrecking crew.

Nor do Mr. Dolan and his cohorts seem to be fazed in the least by the utter arrogance of outsiders like themselves marching into a congressional district and presuming to dictate to the citizens of the area whom they should elect.

If Mr. Dolan's goal were truly the advancement of the conservative political philosophy, his actions might be understandable. But it appears that, in preparing his "hit lists," Mr. Dolan is less concerned about the political coloration of an elected official than he is about how much money Mr. Dolan is likely to be able to squeeze out of reactionary millionaires to defeat that particular official.

His current hit list, for example, includes House Budget Committee Chairman JIM JONES of Oklahoma, Ways and Means Chairman DAN ROS-

TENKOWSKI, of Illinois, and House Majority Leader JIM WRIGHT, of Texas.

By no stretch of the imagination could any of these three be considered the "dangerous liberals" that Mr. Dolan claims to believe are destroying the country.

JIM JONES is regarded by 95 percent of his colleagues as a conservative. His Budget Committee, on its own, approved fully 85 percent of the cutbacks requested by President Reagan.

Or DAN ROSTENKOWSKI. A moderate by any measure, Mr. ROSTENKOWSKI led his committee to approve a Democratic tax bill with enormous benefit for business as well as for individuals. Is that something a so-called liberal would do?

Or JIM WRIGHT. If Mr. Dolan's activities were truly designed to foster conservatism, he would admit that Mr. WRIGHT was considered easily the most moderate, the most nearly conservative, of the four candidates seeking the office of majority leader when he was elected to that post in 1976.

As to tactics, Mr. Dolan makes it clear that he and his group have absolutely no qualms about dragging the American political process through the mud to achieve their goal of having all elected Members of Congress think, act, and vote their way. Innuendos, half-truths, and outright lies are used.

Mr. Dolan himself accurately prophesied the grave harm that his group could do by stating:

Groups like ours are potentially very dangerous to the political process. We could be a menace, yes—a group like ours could lie through its teeth and the candidate it helps stays clean.

Herein lies the menace. Because NCPAC is not bound by Federal laws and refuses to follow any moral or ethical code whatsoever, Mr. Dolan and his group can say and do whatever they please about an elected official and spend as much money as they can raise to defeat that official.

And make no mistake about it—Mr. Dolan and his gang are expert practitioners of the art of media politics. They are long on know-how, but short on ethics. They are nothing more than political hit men. Their calling card should read: "Have Smears, Will Travel."

These east coast political pillagers go into a Congressman's district thousands of miles away, where they have no knowledge of how that district is being served, and set up shop. Then they manipulate and distort his voting record to try to make it appear that the official is not truly representing his constituents. If the facts give Mr. Dolan any trouble, he twists and distorts them to try to make his point.

Most Texans know, for example, that Senator LLOYD BENTSEN, of Texas, consistently opposes busing and votes that way. But based upon one

1979 vote against an antibusing amendment to a vital appropriations bill, BENTSEN is listed by NCPAC as probusing.

Senator DENNIS DECONCINI, of Arizona, has been antiabortion on 28 of 29 votes recorded in the Senate, but is listed by NCPAC as proabortion. Mr. Dolan explains these and other distortions of the truth by saying:

If a Senator votes once for busing or abortion, we think it's justified to list him as pro-busing or pro-abortion.

NCPAC's hand has been called several times on its outright lies. When his group stated that Senator JOHN MELCHER, of Montana, voted "yes" to give away the Panama Canal, it was not the truth. In fact, Senator MELCHER voted against the treaties. In the campaigns of 1980, NCPAC falsely charged that former Senator Frank Church, of Idaho, voted for a congressional pay raise and that Senator THOMAS EAGLETON, of Missouri, supported \$75 million in aid to Nicaragua. Mr. Dolan blames some of these and many other distortions on "typesetting errors" or states that the false information was corrected by later retractions.

Even now, during a nonelection year, NCPAC is busily seeking to spread its contagion of lies to other parts of the country. One target area is Tarrant County, Tex.—home district of House Majority Leader WRIGHT.

With great fanfare, Mr. Dolan has announced that NCPAC will spend \$450,000, more than a year in advance of the 1982 congressional elections, to smear JIM WRIGHT's good name among the people in the district.

Mr. Dolan seems not to be concerned in the least by the facts that: First, only 9 months ago, the citizens of Mr. WRIGHT's district reelected him with an overwhelming 61 percent of the votes over an exceptionally well-financed Republican opponent; second, in a survey taken by the magazine U.S. News & World Report in 1980, JIM WRIGHT's colleagues voted him the most respected Member of the House of Representatives, and, third, Mr. WRIGHT has no likely opponent for 1982.

Ordinarily, one would think these three facts alone would be enough to deter smear-for-pay attacks like the one Mr. Dolan is seeking to launch against Mr. WRIGHT.

But any such rational political judgment on the part of Mr. Dolan seems to have been subjugated by his overpowering desire to entwine his NCPAC tenacles around the booming, prosperous Dallas-Fort Worth metroplex, of which Mr. WRIGHT's district is a part.

After all, one could hardly expect a man as opportunistic as Mr. Dolan to be able to resist going down to scare the political daylights out of certain gullible millionaires who, when prop-

erly frightened, enthusiastically throw open their thick pocketbooks to combat what has been billed as the liberal threat of the United States of America—conceived, orchestrated, and produced, of course, by Mr. John T. Dolan.

Not coincidentally, Mr. Dolan appears to be the only one who profits financially from the whole sordid series of sneak attacks.●

CENTER FOR FUSION ENGINEERING: FUSION ADVISORY PANEL REPORTS

HON. MARILYN LLOYD BOUQUARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mrs. BOUQUARD. Mr Speaker, I wish to enclose for the RECORD today, a recent report from the Energy Research and Production Subcommittee's Advisory Panel on Fusion Energy. This panel, which was originally established in the past 96th Congress, is composed of many of this Nation's most prestigious and knowledgeable leaders both in fusion science and in industry. The panel stood us in good stead during the 96th Congress and I believe serves a continuing useful role in this Congress.

The panel met on June 29, 1981, and received presentations from 10 different organizations on the very timely topic of how to best establish a Center for Fusion Engineering. This Center was specifically called for in Public Law 96-386, the Magnetic Fusion Energy Engineering Act.

The Reagan administration has sent to Congress a report indicating that they are not intending to establish such a center even though money is available within the fiscal year 1982 budget to do so. While I will have much more to say to the Department of Energy on this issue, I will save it for a later date. The subcommittee's Fusion Advisory Panel assessment of the need for such a fusion center follows:

FUSION ADVISORY PANEL REPORT TO THE SUBCOMMITTEE ON ENERGY RESEARCH AND PRODUCTION, HOUSE SCIENCE AND TECHNOLOGY COMMITTEE

JULY 27, 1981.

Mrs. MARILYN L. BOUQUARD, Chairman, Subcommittee on Energy Research and Production, Committee on Science and Technology, U.S. House of Representatives, Washington, D.C.

DEAR Mrs. BOUQUARD: Your Advisory Panel on Fusion Energy held hearings in Room 2325 of the Rayburn Building during the afternoon of June 29, 1981. Witnesses identified on Attachment A presented their views and responded to questions of Panel members who participated in the hearings (see Attachment B).

In general, it was the consensus of witnesses presenting testimony that:

1. Fusion energy is needed as a future electric energy option.

2. The fusion program is ready now to move into the engineering phase of development. The Advisory Panel's views confirm the conclusions of the 1980 Fusion Advisory Panel, the Buchsbaum Report, and the action of the 96th Congress in enacting the Magnetic Fusion Energy Engineering Act of 1980 (Public Law 96-386).

3. The fusion program should be goal-oriented. The goals set forth in Public Law 96-386; i.e., construction of a device for the demonstration of the engineering feasibility by 1990 and of a magnetic fusion demonstration plant by the turn of the 21st Century are reasonable and should be pursued aggressively.

4. A national commitment to the development of magnetic confinement fusion is essential to the accomplishment of the goals of Public Law 96-386.

5. The best way to implement the next phase of the national fusion energy program is to establish and fund a center for Fusion Engineering (CFE) with responsibility for getting a Fusion Engineering Device (FED) built, for having supporting R. & D. performed, and for planning and programming a Fusion Demonstration Plant (FDP) around the turn of the century.

6. Management and technical direction by industry, with meaningful involvement by the major laboratories, will give the CFE the highest probability of successfully carrying out its mission.

7. The Department of Energy (DOE) promptly should issue a Request for Proposal (RFP) for management and technical direction of the CFE, and select the best competitively on the basis of qualifications and relevant experience.

Discussion among Advisory Panel members attending our evening dinner meeting arrived at the following conclusions, partly by listening to testimony presented during the afternoon and partly on the basis of Panel members' knowledge and interaction:

1. The Advisory Panel reaffirms the validity of the goals, objectives and timeliness of the Magnetic Fusion Energy Engineering Act of 1980.

2. A way should be found to get the new Administration, hopefully the President himself, to declare a national commitment to the development of fusion energy for civilian electric power.

3. The CFE and the FED should be "tied together". The CFE should assume immediate responsibility for the FED conceptual design. The primary missions of the CFE should be to get the FED designed and built, to program and to get accomplished an appropriate technology R. & D. effort to meet the immediate and longer term needs of the FED and FDP. The CFE should not become "another national laboratory". The CFE should expand our technical data base. It should take over the work of the Technical Management Board, which is directed toward a FED.

4. The state-of-the-art is now such that vigorous programs of technology R. & D. and plasma optimization will lead to a successful FED. The scope of the FED must be determined by the technical R. & D. requirements of an overall plan leading to the FDP—rather than by some arbitrary design restriction, such as a \$1 billion dollar ceiling.

5. The Panel members agreed that there exists several valid models for the management and technical direction of the CFE. A majority of the Panel favored industrial management with strong involvement of the present fusion community.

The recommendations of the Advisory Panel are:

1. The Secretary of Energy should be requested to prepare a mission statement for the Center for Fusion Engineering (CFE) and a plan for its implementation, consistent with the aims of the Magnetic Fusion Energy Engineering Act of 1980. The mission statement should include construction of a Fusion Engineering Device (FED) and should emphasize the goal of achieving a Fusion Demonstration Plant around the turn of the century.

2. The Subcommittee on Energy Research and Production should hold hearings: (a) inviting the DOE to state its near-term plans for implementing the Magnetic Fusion Engineering Act, and (b) inviting industry, laboratories and universities involved in fusion, and others to comment on these plans.

As an Advisory Panel, we shall be happy to meet again whenever it might be helpful to you.

I look forward to discussing the matter with you at your convenience.

Best wishes!

Sincerely,

LEONARD F. C. REICHEL,
Chairman, Fusion Advisory Panel.

ATTACHMENT A—LIST OF PRESENTORS

Dr. Harold Agnew, president, General Atomic Co., LaJolla, Calif.

Dr. Don Anthony, manager, Fusion Energy Systems, General Electric Co., Schenectady, N.Y.

Dr. Stephen O. Dean, president, Fusion Power Associates, Gaithersburg, Md.

Dr. Donald Kummer, manager, Fusion Energy, McDonnell-Douglas Co., St. Louis, Mo.

Mr. Sidney Law, director of research, Northeast Utilities, Hartford, Conn. (representing the Atomic Industrial Forum Committee on Fusion).

Mr. Frederick Maxwell, president, Boeing Engineering & Construction Co., Seattle, Wash.

Mr. Lawrence Mead, senior vice president, engineering, Grumman Aerospace Corp., Bethpage, N.Y.

Mr. Martin Scholl, associate technical director, Energy and Resources Division, MITRE Corp./Metrek Division, McLean, Va.

Mr. R. J. Sherman, chairman of the board, Ebasco Services, Inc., New York, N.Y.

Dr. Peter Staudhammer, laboratory manager, nuclear energy, TRW Co., Redondo Beach, Calif.

ATTACHMENT B—MEMBERS OF THE ADVISORY PANEL ON FUSION ENERGY ATTENDING JUNE 29, 1981 MEETING

Mr. Leonard F. C. Reichle (panel chairman), executive vice president, Ebasco Services, Inc.

Mr. Calvin J. Blattner, vice president engineering, McDonnell-Douglas Astronautics Co.

Dr. Brian Cairns, manager, advanced technology, Boeing Aerospace.

Dr. Ronald C. Davidson, director, Plasma Fusion Center, Massachusetts Institute of Technology.

Dr. Ersel Evans, vice president, Westinghouse Hanford Co.

Dr. T. Kenneth Fowler, associate director for CTR, University of California, Lawrence Livermore Laboratory.

Dr. Harold Furth, director, Princeton Plasma Physics Laboratory, Princeton University.

Dr. John W. Landis, senior vice president, Stone & Webster Engineering Corp.
Mr. Mike McCormack, energy consultant.
Dr. Tihro Ohkawa, vice president and director, Fusion Division, General Atomic Co.
Dr. Murray Rosenthal, associate director for advanced energy systems, Oak Ridge National Laboratory.

Mr. Dwain F. Spencer, director, Advanced Power Systems Division, Electric Power Research Institute.●

OIL ISSUE SHOULD HAVE BEEN SEPARATE VOTE

HON. MARGARET M. HECKLER

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mrs. HECKLER. Mr. Speaker, today we found ourselves confronted with voting on the issue of final passage of the tax legislation under a suspension of the rule.

This suspension of the rule was a technique clearly designed to embarrass those Members of Congress, particularly from the Northeast and Midwest who, like myself, approved of the tax bill designed to provide permanent tax relief to the American people but opposed the reduction in the windfall-profit tax for the oil industry.

Last Tuesday, I appeared before the Rules Committee and urged them to allow the House to vote separately on the oil provision. I voted against their gag rule and I voted against the previous question which cut off further debate on separating the oil question from the tax bill. I took the floor of Congress to urge my colleagues to vote for the tax bill but I spoke out strongly against the reduction in the windfall tax for big oil. I went even further. I spoke to President Reagan in person to express my displeasure over this sellout to the oil industry and I signed a letter with 46 of my colleagues urging the conference committee to remove the measure from the final tax bill.

The Rules Committee could have granted us the opportunity to decide the oil issue as a separate vote and, given that opportunity I would have immediately voted no.

But despite the efforts of a great many of us from the Northeast and Midwest, there were not sufficient votes to change this preferred treatment of the oil industry.

The suspension of the rules procedure was clearly designed to embarrass those Members of Congress, particularly those from the Northeast and Midwest, who opposed the reduction in the windfall-profit tax for the oil industry.

But the fact remains that the overwhelming vote of 282 to 95 today demonstrates clearly that most of the Members of the House agreed with my resistance to this last minute theatrical ruse, a vain attempt to roadblock

the tax bill, the largest tax reduction package in our Nation's history and a measure that had already been approved—overwhelmingly—by both the House and Senate.●

HANDGUN BODY COUNT

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. LEHMAN. Mr. Speaker, the handgun body count for the month of June was 569. Since January 1, 3,911 persons have been victims of handguns.

One of these victims was a 2-year-old boy in Dade County, Fla. He found a gun in his home and accidentally shot himself. I hope all will heed the words of Dade County Detective Michael Robertson, who following the death of this little boy warned:

Thousands and thousands of guns are being sold and going into Dade County homes with small children every month. For God's sake, we have got to let these people who are buying them know what can happen when you leave a gun in the presence of little kids. It could be you.

The list of handgun victims for the month of June follows:

HANDGUN BODYCOUNT—JUNE 1981

ALABAMA (4)

Samuel Bass, Jr., Rabb Muhammad, Bruce Oliver, Anthony Sollie.

ALASKA (1)

Bernard Bilbertson.

ARIZONA (3)

Raymond Cobos, LaDonna Marzley, Joseph Sandoval.

ARKANSAS (7)

Alahandro Avilas, Johnny Ford, J. W. Kirkpatrick, Jesse Norment, Jr., Irene St. Clair, Christopher Spence, Sally White.

CALIFORNIA (61)

Michael Allen, Fred Alvarez, Roger Banister, Brenda Baird, James Blair, Ralph Boger, William Brandon, Augustus Bryant, Cecilio Calderon, Alfonso Camacho, Pat Castro, Rocky Catanzarite, Dubois Childress, Raymond Clark, Andrew Cole, Kevin Devenish, Stephane Donalds, Ronald Ebeltoft, Salvador Escandon, Carlos Fandino.

Officer M. Faulkner, John Franklin, Michael Gonzales, Judy Green, Talmadge Hardison, Paul Heck, Kwayne Harris, William Heinz, Michael Henry, Timothy Husky, Scott Hyman, Floyd Kingsley, Janet Kingsley, Charles Keaton, Michael Leyba, Florine Livson, Refugio Lucero, Ernestine Mays, Jessie McHone, Lloyd Nordstrom.

Boyd O'Brien, Lorenzo Ochoa, Carole Osborne, Robert Peay, Richard Palmer, Peggy Pennington, Charles Rayburn, Ervin Roeder, Jennifer Roeder, Robert Robinson, Erich Schmidt-till, Chester Shelton, Mary Shelton, Keith Smith, Francis Springfield, Dori-Ann Stoutner, Elizabeth Sugrue, Rose Teluso, Harry Tiffany, William Warner, Unidentified male.

COLORADO (19)

James Baltz, Foster Bebout, Hillard Cannon, Debra Corr, James Gerige, Kerry Ireland, Todd Jackson, Timothy Krenke,

Darrell Mock, James Placher, Allan Renick, Ernest Seidlitz, Casimiro Vellalobos, Terrell Young, Randy Walton, Unidentified female, Unidentified female, Unidentified male, Unidentified male.

CONNECTICUT (4)

Mrs. Hassell, William LoRusso, Michael Macri, Leonard Strawther.

DISTRICT OF COLUMBIA (7)

Doris Haskins, Catherine Schilling, Marie McCoy, Johnnie Thomas, Peggy Washington, Barney Easton, Stanley Weldon.

FLORIDA (39)

Carlos Arias, Randy Brown, Howard Burns, Robert Clemente, Jerry Collins, Luis de la Cruz, Nabro Ennever, Charles Lippman, Ophelia Lippman, Ronniell Franklin, Martin Greenberg, Reynaldo Gonzalez, Anthony Helfand, Adrian Hernandez, Otis Hosley, Nathan Jones, Jill Kimble, Serge LaFata, Julio Martinez, Charlotte Martz.

Julia Mengana, Margaret Merchant, Robert Merida, Jerry Mosca, F. Rodriguez-Pena, Nilda Sardinas, Jimmy Thompson, Norris Thompson, Ruby Vaughn, Charlie Wells, Jose Florio, Kenneth Williams, Marie Williams, Unidentified male, Unidentified male, Unidentified male, Unidentified male.

GEORGIA (9)

Charlie Byrd, Alfred Boatwright, Walter Copeland, Jr., Morris Highsmith, Marjorie Murray, Davil Payton, Joseph Quinlan, Roma Quinlan, Edward Rawlins.

HAWAII (2)

Frederick Herring, Gauta Ioane.

IDAHO (1)

Kim Applegate.

ILLINOIS (73)

Chester Alexander, Olvin Arroyd, Kevin Ayers, Willie Bibbs, Charlie Black, Tracy Britton, Lonnie Burnett, Ronnie Calvin, Jerome Cannon, George Castille, William Chin, David Clair, Linda Coffan, Milton Conley, Hermino Cruz, Eddie Daniels, Nelson Diaz, Eric Dillon, Alfred Downing, Neamiah Duncan.

Barbara Durdin, Jimmy Elrod, Daniel Fine, Pearl Fleming, Robert Flores, Anna Galbraith, Jose Gonzalez, Fred Graver, Michael Healy, Frederick Hessler, Cleveland Jackson, Willie Jackson, Thomas Kane, Raymond Kawa, Jessie Lee, Darius Lilly, Roberta Lindsey, Linda McCullough, Mildred McCullough, Jogn McCurrie.

Lawrence McGrane, Aisha Memedovski, Richard Montclair, Barney Morgan, John Muhlena, Jr., Rocky Newton, Terry Owens, Thaddeus Papierz, Daniel Phillips, Ann Policeros, Malik Raheem, Eduardo Ramos, James Riordan, Cruz Robles, Antideo Rodriguez, Milton Rodriguez, Nicholas Rodriguez, Mary Schlaf, Ivan Singleton, Junrus Slythe.

Anthony Smith, Robert Soto, John Stewart, Albert Torres, Larry Turner, Jose Velez, Larry Weddington, Annie William, Curtis Wolfe, Gregory Woods, Vernon Woodgett, Tyrell Young, Unidentified male.

INDIANA (4)

Teresa Bowers, Charles Colquitt, Thomas Hermeling, Clarence Jackson.

IOWA (3)

Ward Grade, Adele Martin, Scott Smith.

KANSAS (2)

Kenneth Mewhinney, Mark Wesonig.

KENTUCKY (5)

Robert Cochran, Magdalene Cruse, Marlene Matthews, Edward Rogers, Noele Tribell.

LOUISIANA (16)

Donald Albert, Marian Bodreaux, Adam Carter, Franklin Castle, Linda Dyson, Tyrone George, Guy Jarreau, Carolyn Jones, Robert Jones, Reese Lacour, Betty Moran, Terri Murrell, Augusta Reed, Joseph Roberie, Lorelie Wickers, Kenneth Williams.

MARYLAND (21)

James Brittingham, Marvin Brown, Raymond Duncan, Robert Edwards, Robert Glad, Warren Haga, Albina Harris, Edward Harris, David Houze, Woodrow Hunt, George Jenkins, Yun Sin Kim, Travis Lupton, Benjamin Mackall, Arthur McChesney, David O'Neal, Gilbert Powell, Mildred Reece, Martha Robinson, Antonio Sutherland, Unidentified male.

MASSACHUSETTS (4)

Leo Amet, Marlene Brennan, Carlos Mariaga, Marc Somma.

MICHIGAN (46)

Donald Banaszewski, Jackie Bonner, Oscar Bonner, Jr., Henry Byas, Henry Cummings, Wilson Curtis III, Charles Erwin, Sterling Fulton, Richard Gadziemski, Anna Galbraith, Phillip Garrett, Robert Greer, Donna Hawkins, Sylvia Hendrickson, Alfred Hockett, Alvin Johnson, James Johnson, Arthur Jones, Larry Jones, David King, Brian Labadie.

Larry LeFlore, Gordon Lowrey, Jr., Mary Mathis, August Menard, Gaetano Pagano, Fred Parker, Robert Person, Donald Peters, Clemon Phillips, Anthony Pointer, Todd Poole, Harry Pustelnik, Jr., Robert Radyko, Officer E. Sanders, Alphonso Scales, William Scott, Cynthia Stewart, Fernando Toster, Darlene Washington, Norman Webb, Eleanor Werdes, William Wheeler, George Whitehouse, Webb Woods.

MINNESOTA (7)

Daniel Bouley, Eddie Garrett, William Johnson, Leonard King, David McMillan, Leonard Mosby, Peter Murphy.

MISSISSIPPI (2)

Willie Jackson, Fannie Wells.

MISSOURI (21)

Emanuel Askew, Andy Cole, Bruce Crusby, Gordon Edwards, Tyrone Henry, Steven Horne, Clifford Jennings, Otis Jackson, Curtis Johnson, Wesley Jones, John Lott, Edwin Merrill, Gayle Meyer, William Moore, Robert Musgrove, Cheryl Styner, Fletta Sutterfield, Roy Sutterfield, David Thomen, Roger Thompson, Unidentified male.

NEBRASKA (5)

Jack Foster, Julius Menser, George Montalvo, Robert Skala, Jr., James Worley.

NEVADA (1)

Unidentified male.

NEW JERSEY (3)

Elaine Delfico, Arthur Love, William McGuirk.

NEW MEXICO (2)

Leonard Green, Rudy Marquez.

NEW YORK (38)

Gracy Anderson, Gerard Arachell, Alahandro Avilas, Ronald Baker, Ray Brown, Ronald Burroughs, Ann Champion, Thomas Cariola, James Conley, Nilba Cruz, George Cruz, Jose Cruz, Curtis Dandridge, David

Dearburn, Louis Diamond, Cameron Eshiel, Ronald Fischetti, Edward Frank, Fred Fucci, Sebastian Fenocchia.

Luis Galvis, Robert Greene, William Griffin, Ben Harrington, Arguinides Hidalgo, Robert Jahn, Dominick Mangino, Joseph Moline, Margaret Moore, William Moroney, Leonard Mosby, Keith Post, Mike Schlachter, Leon Schreiber, Eric Snyder, Claude Spender, Unidentified male, Unidentified male.

NORTH CAROLINA (16)

Larry Biddy, Christine Blaylock, Wilbert Blaylock, Lora Campbell, Nancy Clinton, Danny Dillard, John Goble, Bobby Hill, Anthony Jones, George Leonhardt, Sr., Mary Lipscomb, Walter McCaskill, Joseph Poole, Jerry Rozier, Edgar Waldroup, Andy Watty.

OHIO (23)

Debra Adams, Elfrieda Ayle, James Brown, Mose Camp, Gary Floyd, Michael Freeman, Steven Graves, Jr., David Green, Dale Gibson, Joshua Henry, James Kellar, Jon Neeley, Bennie O'Neal, George Owings, Michael Schmidt, Johnny Taylor, Robin Tyler, Edward Warner, Frank Wyche, Maurice Witherspoon, Joseph Wright, Robin Zapata, Unidentified male.

OKLAHOMA (7)

Ifti Ahmed, Nolan Craft, Leonard Henderson, Richard Hutton, Robert Lee, Lori Mann, Dedra Pettus.

OREGON (4)

Mary Allmon, Ryan Allmon, Edgar Jones, Jr., Terry Orcutt.

PENNSYLVANIA (12)

James Angelos, Viola Berry, Dan Boyle, Annette Butti, Bennie Fletcher, Sr., John Gilmore, Policeman J. Holcomb, Sherry Jones, James Leahy, Kathy Rowden, Marne Toogood, Jack Wiegand.

RHODE ISLAND (5)

Thomas Amant, John Harlow, Jr., Max Kleiner, Natalie Kleiner, Alice Smithbauer.

SOUTH CAROLINA (1)

Lewis Rowland.

TENNESSEE (13)

Harold Anderson, Roy Black, Clarence Brewer, Jr., John Carter, Lora Carter, Delina Crouch, Charles Culbreth, Andrew Harrison, Pamela Harrison, Lodie Moore, Windley Pearson, Kendall Stamper, Noela Tribell.

TEXAS (44)

Claudine Abram, David Alley, Donna Baker, Liz Bardin, Victor Barragan, Willard Baugh, Kathryn Bristol, Charles Caudill, Jr., Kenneth Chessher, Patricia Chessher, Allen Clark, Samuel Fishman, Goldie Frank, Rona Gibbs, Wylie Grice, Kenneth Hayles, Robert Huffman, Derrick Johnson, Jacklyn Johnson, Greg Kelley.

Melvin Lawson, Danny Lombrana, Carmen Maldonado, Majorie Matocha, William Mercer, Terry Osborn, Sandra Pardon, Belle Perry, Jack Ray, Rudy Rojas, Julio Rivera, Mark Saylor, Betty Seale, Raymond Seale, Severino Serna, Jr., Ernest Stewart, Mack Sweat, Alex Thibo, Phillip Thompson, Ben Washington, Elizabeth Wilkins, Lennie York, Unidentified female, Unidentified male.

UTAH (3)

Nyla Earl, Frank Hancock, Larry Ward.

VIRGINIA (12)

Theodore Barbour, Jr., Donna Dobbs, Carolyn Gibson, August Grauden, Carolyn Guggemos, John Guggemos, Audrey Howington, Jack Jaffe, George Jordan, Michael McArdle, Leon Williams, Johnnie Thomas.

WASHINGTON (10)

Ted Bottiger, Jr., Silome Domingo, Peter Edwards, James Iddins, Mary Larsen, Frank Lovejoy, Timothy Parker, Paul Pruner, Gene Viernes, Unidentified female.

WISCONSIN (4)

David McMillan, James Rusk, Cecelia Schroader, John Warner.

WEST VIRGINIA (5)

Patrolman Eddie Duncan, John Johnson, Lt. Delbert Roush, Sr., Ronald Smith, Unidentified female.

PREVIOUSLY UNREPORTED HANDGUN DEATHS—1981

January

CALIFORNIA

Irene Bracci, Thurman Brooms, Charles Cano, Pascual Capato, Robert Dougherty, Carol Fox, Robert Henry, Richard Pierce.

D.C.

Chong Cha, Lee Rutan.

KENTUCKY

Gary Stuzenburger.

MARYLAND

Nathan Walker.

NEW YORK

Isaac Henry.

PENNSYLVANIA

Debra Buzzard.

TEXAS

Frank Sandiford.

WASHINGTON

Charles Bockelman, Steven Callien, Floyd Helm, David Jansen, Ronald Olson, Karl Person, Eugene Taylor, Maxie Valdimars, Tanya Webb, Donald White, Alexander Whitish.

February

CALIFORNIA

Pamela Durham, Edward Fonseca, Perone Robinson.

FLORIDA

Allen Mowery, Jarilyn Peoples.

MARYLAND

James Stoddard.

PENNSYLVANIA

Jeffrey Evans, Jose Osorio.

SOUTH CAROLINA

Helen Wood.

WASHINGTON

Christopher Fosnaugh, Chico Hawkins, Calvin Knoth, Darlene Mansfield, Nicholas Vojkovich.

March

ALABAMA

Terry Knight.

ALASKA

Wendy Wilson.

CALIFORNIA

Thomas Dupree, Raymond Gautier, Jackie Mills, Frank Namijoshi.

FLORIDA

Jose Batles.

GEORGIA

Theresa Young.

INDIANA

Andrew Jackson, Edward Ward.

LOUISIANA

Levi Nelson.

MARYLAND

Marlene Hayes, Marquis Howell.

MISSISSIPPI

Annie Boyd.

MISSOURI

Mary Green.

NEW YORK

Robert Endersbee.

NORTH CAROLINA

James Saltor.

OREGON

Scott Moulton, Denise Siotkowski.

PENNSYLVANIA

George Ellerbee, Jose Lopez, Richard Mayberry, George Torrance.

TEXAS

Raymond Arreondo, John Criswell, Louis Dadara, David Dixon, Steve Daugherty, Raymond Dorman, Harry George, Susan George, Ernest Gray, Arthur Hood, Able Nwarungwau, C. Ortiz, Louis Parlich, Cheryl Polk, Jesse Ramirez, Valentin Reyes, Nassario Saldana, Gary Shafer, Mary Wilson.

WASHINGTON

Bruce Christensen, Sonny Faausu, David Finch, Walter Hansen, Dorothy Norton, Sandy Parker, Rodolfo Razario.

April

CALIFORNIA

David Algood, Richard Becerra, Stacey Benjamin, Robert Cornejo, Paula Gedding, John Griffith, Robert Guthrie, Diana Hayes, Hans Schwarzenbach, Warren Shaw, David Thomas, Willie White.

COLORADO

Janet Bunkers, Bill Davis, Scott Lewis.

FLORIDA

Ruby McCary.

ILLINOIS

Leonard Carson.

INDIANA

Kathy Kohm, Earl Underwood.

KANSAS

Richard Ricks.

LOUISIANA

Paul Carter.

MARYLAND

Craig Dickey, W. A. Hartman, Russell Kramer.

NORTH CAROLINA

Gregory Mayer.

OHIO

Bertha McCall.

PENNSYLVANIA

Clive Clacken.

TENNESSEE

Eugene Mitchell, James Smith.

TEXAS

John Adams, James Brown, Coleman Browning, Jerry Bryant, Charles Clowdus, Horace Ford, Jr., Walter Kelly, Lorenze Land, Cleveland Ned, Eddie Osborn, Jarrell Pool, Catarine Vieyra.

WASHINGTON

Chester Cole, Richard Ellerington, Linda Hunter, Richard Lewis, Bernice Lindemood, Dirk Reigle.

May

ALASKA

Herbert Oakley.

ARKANSAS

May-Anna Wagner.

CALIFORNIA

Chukwudi Esjobu, William Williamson.

OKLAHOMA

Gary Buffalohead.

PENNSYLVANIA

Willie Moran.

SOUTH DAKOTA

Rev. James O'Conner.●

H.R. 4242, ECONOMIC RECOVERY ACT OF 1981

HON. JOSEPH D. EARLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● MR. EARLY. Mr. Speaker, I have heard it said that the President is a super salesman. I most earnestly wish I was convinced that he was selling a super product. I am afraid he is not.

I have studied the various tax reduction proposals and the comments of many economic experts. I certainly want the Nation's economy to prosper, but I have serious reservations about the assumptions used by the administration in projecting long-term economic success. I fear the assumptions used by the White House are too optimistic, too wide of the mark to actually bring about lower inflation, a smaller deficit, reduce the unemployment rate, and lessen the income tax burden.

After thoroughly examining the administration's bill and the Ways and Means Committee's bill, I reached the conclusion that neither bill would adequately address the economic problems confronting the Nation. Both bills gave the greatest tax relief to those who needed it the least. Both bills developed from an undesirable auctioneering strategy by the White House and the House majority and minority leadership. This type of bidding war inevitably produced tax proposals with serious deficiencies.

The bill finally adopted by Congress, however, is the President's program. No one can dispute this fact. The administration's economic scenario is based on the hope that large tax cuts will increase consumer savings and business investment. But even Wall Street is wary of the administration's proposal. Henry Kaufman of the Salomon Bros. investment firm reportedly favors more spending cuts over any size or type of tax cut this year. The very people Mr. Reagan relies on most under his plan do not return his trust. They are too pragmatic to rely on unproven economic theories.

The administration is taking a great risk with the well-being of every American, especially those taxpayers with few alternatives to cope with inflation and high interest rates—those earning \$35,000 or less a year. Both the committee bill and the Conable-Hance substitute included too many

provisions designed only to attract regional voting blocs. Both versions extended too many additional benefits to those who are already heavily favored by the tax code and neither bill received any significant endorsement from nonpartisan economic authorities. Both bills, in addition, lacked the persuasive appeal of fairness and equal treatment for the greatest number of taxpayers. The administration's plan which was adopted last week by the House would reserve the largest tax cuts for upper-income individuals. Presumably, the upper-income brackets would also receive all of the benefits from the more favorable capital gains treatment, the all-savers certificates, incentive stock options for executives, and estate and gift tax cuts.

I have grave doubts that the majority of Americans have any real understanding yet of the unfair impact the administration's tax relief bill will have on them. The White House plan relies on the "trickle down" theory of economics. This theory has not worked before in this Nation and there is every reason to doubt that it will work now. The upper-income brackets will continue to flourish as they invest more of their new found dollars under the Republican substitute, while the greater number of middle-income Americans will shoulder still larger burden of the total Federal income tax burden. History pretty clearly shows that public understanding of and belief in principle of "equal treatment" is crucial to the success of any major legislative program.

The tax bill as adopted in this report will give 33 percent of its tax relief to taxpayers earning above \$50,000. Yet, such taxpayers constitute only 5.8 percent of all taxpayers. To make matters worse, the administration's bill ignores the impact of inflation and higher social security payroll taxes. Under the administration's tax package, those earning \$15,000 or less will actually pay 13 percent more in taxes by 1984—the year Mr. Reagan predicts a balanced budget or better—while those in the \$50,000 to \$100,000 income range will receive a 9 percent tax reduction.

Mr. Speaker, I am also concerned by the President's implication that anything less than total acceptance of his entire economic scenario will produce economic failure. No President has ever had his way on every item. It is contrary to our Government's system of checks and balances. The executive and legislative branches of Government are co-equal branches. The deliberative process of the legislative branch helps draw out the pitfalls of any type of legislation whether supported by the President or sponsored by a Member of Congress.

The administration's tax proposals were scrutinized in the open at public hearings. And, they were found wanting in a number of ways. It is also important to bear in mind that the President has not been consistent in his approach to this tax bill. He originally called for a 10-percent across-the-board cut for 3 years. He later added provisions to satisfy certain groups. Soon the administration's tax package looked like the proverbial "Christmas tree." In all fairness, it has to be recognized that the President took the first steps away from a simply crafted tax reduction bill to a catchall for every regional interest group in the country.

Mr. Speaker, I would like to hope that the administration's tax package will create a new economic prosperity for all taxpayers. The faulty economic assumptions underlying the President's tax package, along with a trillion dollar buildup in defense spending over the next 5 years, however, contain the ingredients to wreak greater havoc with the Nation's economy than ever thought possible. The misallocation of labor and precious investment capital toward the military sector, in tandem with this ill-conceived tax package, might produce deficits never thought possible just a few years ago. And, there will be little left of the President's "safety net" to aid those Americans hurt by higher interest rates, unemployment, inflation, and continued deficit spending. The administration's entire economic projection including its tax bill, rests on the validity of untested economic theories plus another unspecified \$20 billion worth of social spending cuts. The President's tax bill will increase deficit spending if all other economic assumptions do not work as predicted by administration officials.

Congress had the opportunity to reduce taxes fairly and bring the budget into balance next year when it debated the Udall-Obey substitute bill. I supported that amendment because I believed it to be the best choice among the several tax packages. It would have produced a \$2 billion surplus next year and a \$20 billion surplus in 1983. It would have encouraged business expansion, especially among small businesses; it would have eliminated unnecessary additional bounties to oil companies; it would have offered the greatest degree of tax relief to low- and middle-income taxpayers; it would have been the least complicated and, therefore, the least costly proposal to administer; and, it would have permitted the Nation to adequately remedy any military weaknesses without resorting to deficit financing. Unfortunately, that amendment was defeated and the Conable-Hance substitute was adopted by the House.

I think I have a pretty fair amount of experience in Government finance

from my 12 years of service on the Massachusetts House of Representatives ways and means committee and my nearly 7 years of experience on the Appropriation Committee here in the U.S. House of Representatives. Whatever other pressures may be involved, I feel that my greatest obligation is to vote in the best interest of my district and the Nation based on my personal knowledge, experience, and judgment. The President's proposal, and to a large measure the committee's proposal, fall short of the needed tax relief sorely needed by this Nation.

Mr. Speaker, I would much prefer to work with the President in a bipartisan effort to construct a tax package that would really aid the Nation's economy. At every turn, unfortunately, the President insisted on his whole package without any modifications except those of his own fashioning. The legislative and executive branches of Government are coequals. The President in his television speech suggested that Members of Congress were either "For em or agin em" and there was no middle ground. We are all for economic stability and recovery based on sound economic assumptions; we are all against deficit spending; and we are all against inflation and unemployment and high interest rates. However, I cannot truly believe that this tax package will produce the economic prosperity promised by the President for all Americans and, therefore, I cannot support it. ●

H.R. 4242, THE TAX INCENTIVE ACT

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. RODINO. Mr. Speaker, America's working men and women will be the losers when President Reagan signs his so-called Tax Incentive Act. I opposed this bill because, in fact, it offers very little incentive for the majority of Americans to earn more for their families or produce more for their country. It does, however, offer sizable tax breaks for the rich and the special interests—at a cost of \$754 billion over the next 5 years. This high price tag will be paid for by the most needy Americans who must suffer the effects of cuts in social programs.

I am concerned that this tax bill will deepen the divisions which have been growing between America's economic groups. For example, 35.1 percent of the individual tax cuts next year will go to 5.6 percent of our population—those making over \$50,000. At the same time, 40 percent of the taxpaying public—31 million Americans who make \$15,000 a year or less—will share

8.5 percent of the tax benefits of this bill.

The average American will reap proportionately little of the benefits of this tax cut. The new savings certificates and the reduction in capital gains taxes have small benefit to the elderly couple on a fixed income, or the minority family living just barely above the poverty line, or the family of four struggling to make ends meet on \$15,000 a year. But these average Americans will bear the higher inflation that many economists say will be an inevitable byproduct of this tax bill.

The assumption behind this tax policy—that as more money is concentrated in the hands of the rich, the more benefits will trickle down to the majority of Americans—is misguided.

President Reagan explained his rationale in February when he said:

The taxing power of the government must be used to provide revenues for legitimate government purposes. It must not be used to regulate the economy or bring about social change.

But this tax bill is obviously designed to regulate the economy. It asks the American people to accept on faith the untested theories of supply-side economics. It steers us on a course of economic uncertainty with the promise that inflation will decrease and interest rates will drop as a result of more money in the pockets of the well-heeled. This faith is incredible considering that most economists are fearful of the tax cut's effects on prices and interest rates.

As for not using the taxing power of Government to bring about social change, President Reagan seemed to change his mind in April, when, in presenting his budget proposal to Congress, he said:

The tax portion of our package *** should be looked at as an integral part of the entire package, not something separate and apart from the budget reductions.

In fact, the tax-cut-budget-cut package will result in the most serious social changes in the last half century. It will be the cuts in subsidized housing, food stamps, health and nutrition programs for the elderly and children, jobs programs, and education assistance that will pay for this tax-cut bill. The inequities of this policy are devastating in human terms.

For example, while this tax-cut-budget-cut package saves \$1.66 billion next year by denying food stamps to about 1 million Americans, it will forfeit \$15.6 billion in tax revenues to those who inherit estates valued up to \$650,000. And while this tax-cut-budget-cut package will force 100,000 American families to wait indefinitely for better housing in order to save \$12 billion in housing subsidies, it will spend \$11.8 billion in tax breaks to the oil industry over the next 5 years.

The President told the American people that these are tough times—that we will all have to make sacrifices in the interests of a brighter economic future. But the President's tax policies and program cuts do not make all Americans sacrifice. They seem to ignore the needy and reward the greedy.

Such policies can only produce resentment and disrespect for Government in the long run, and I will continue to oppose them. ●

U.S. PUBLIC DIPLOMACY: THE UNTOLD STORY—PART II

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● **Mr. DERWINSKI.** Mr. Speaker, I have inserted into the RECORD the remarks of our distinguished colleague, **TOBY ROTH.** Today, I wish to include the conclusion of his statement before the German-American Interparliamentary Exchange given by the Heritage Foundation of Washington, D.C. Congressman **ROTH** concentrates on the need for efforts to be made to upgrade our public diplomacy abroad. His remarks follow:

In my attempt to sum up our national message, I suggested it was the following: That our commitment to individual liberty, free economic development, and the rule of law sets an example for the rest of the world—and especially the developing world. But we must also add to this message our belief that the freedom of other nations to choose our model—or, indeed, to choose any model—is in danger because the Soviet Union's expansionist desire to forcibly export its brand of Marxism throughout the world. Each year we spend over a hundred billion dollars on defense because we believe this. But the half-billion dollars we spend on public diplomacy is not being clearly coordinated with our effort to contain the Soviet threat.

To prove my point, I'd first of all like to consider the CIA's sobering estimate that each year the Soviet Union spends between \$2 to \$3 billion on a well-coordinated propaganda campaign designed to convince the rest of the world that the United States is aggressive, colonialist, and imperialist. Because these Soviet expenditures are at least four times as great as ours, and because of the centrality of our struggle with the Soviet Union in our foreign policy, you would think that the agencies that execute U.S. public diplomacy would openly state that the necessity of countering this massive Soviet propaganda thrust is one of their main goals—if not their top objective.

But they do not. I have examined the 1981 annual report of the Board for International Broadcasting, the basic background materials which ICA prepares to acquaint people with its goals and programs, and the 1980 report of the U.S. Advisory Commission on Public Diplomacy, a seven-member presidentially appointed body which independently oversees ICA's programs.

None of these important documents mentioned the \$2-\$3-billion-per-year Soviet

propaganda budget. Nor did any of them mention how this Soviet effort is carried out by the Communist Party's information department, by clandestine radios, by subsidies to foreign Communist Parties, by the KGB, and by an international network of Communist front organizations.

Besides this general failure to acknowledge and confront the magnitude of the Soviet propaganda drive, the effectiveness of U.S. public diplomacy has also been diminished because people who carry it out do not enjoy very high status in the foreign policy making establishment. Not since the Kennedy administration have the political appointees who occupy the top positions in our public diplomacy apparatus been included in the major foreign policy planning sessions of the Cabinet and National Security Council. And the career foreign service officers who occupy the other important positions at ICA have generally enjoyed less prestige than their colleagues who have chosen political or economic assignments. These are shortcomings which a Secretary of State deeply committed to upgrading our public diplomacy effort could probably do much to correct.

With such a low priority accorded to public diplomacy in the formulation of U.S. foreign policy, it should come as no surprise that our efforts come off so poorly in any direct comparison with those of the Soviet Union. Each year the Soviets distribute 180 million books and pamphlets around the world. We distribute about 200,000—not even 1 percent of the Soviet commitment. In 1981, the Soviets offered some 4,500 college scholarships to Latin Americans. We offered just a little over 4 percent as many—a pattern which is repeated worldwide. A senior adviser to the President of Yemen said last year: "If you give us scholarships, that is far better than giving us 100 tanks. . . . While the Soviet Union offers hundreds of scholarships to Yemeni students and military officers, getting scholarships to the United States has been like pulling teeth without anesthesia."

The facts and figures concerning those all-important international radio broadcasts are equally dismaying. The Soviets broadcast over 2,000 hours a week in 82 different languages; our Voice of America broadcasts 891 hours a week in only 39 languages. Not only are many of the radio transmitters used for our international broadcasts rusting and out-of-date, but many of the signals they transmit are frequently so weak they are almost inaudible. And in many cases the signals never arrive at all. It has been estimated that the Soviets spend four times as much money jamming our radio broadcasts to Eastern Europe and the Soviet Union as we do producing them.

These, then, are the data which have led me to conclude that a failure to convey our national purpose and beliefs has made our U.S. public diplomacy programs much less effective than they might be. But what can Americans—and friends from abroad like those of you participating today in the German-American inter-parliamentary exchange—do to see that U.S. public diplomacy improves its performance in the future?

I think that as many of us as possible are simply going to have to keep on repeating and repeating the theme that America does have a specific message to transmit to the rest of the world. We are also going to have to emphasize more strongly how much money and energy our adversaries are devoting to spreading a message directly counter to ours.

The public, the press, and the Congress all eventually have to be educated, but right now we have to apply special pressure on the Reagan administration. Although President Reagan pledged during his election campaign that he would strengthen U.S. public diplomacy programs, the administration is only now starting to decide just how energetically it will translate this commitment into policy. Therefore, if you basically agree with the analysis I have presented to you today, it would be very helpful to me if you would write me a letter telling me so. This would give me some proof to show the appropriate State Department officials that there is a constituency of people who share my views on this matter.

Victor Hugo observed many years ago that, "There is one thing stronger than all the armies in the world and that is an idea whose time has come." Recent events in Poland and Afghanistan have made many people in the Communist and developing worlds more receptive to the notion that the Western idea of freedom, not the Soviet variant of Marxism, is the idea whose time has truly come. I think this presents a great opportunity for U.S. public diplomacy to take advantage of. But first of all we are going to have to admit that we do have a definite story to tell. Then we are going to have to summon the will to tell it as vigorously as possible. If we do this, I think we can increase the chances that the psychological war of ideas will be the only war we will ever have to fight. ●

TRIBUTE TO MRS. EVE NORTON

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● **Mr. CHAPPELL.** Mr. Speaker, today I wish to recognize a truly outstanding lady from the Fourth District of Florida. Mrs. Eve Norton of Jacksonville, Fla., has been active in community life for the past 20 years. Her achievements have been numerous. She has raised \$34,000 for the Special Olympics during her term as president of the Florida Federation of Women's Clubs (1976-1978). Eve Norton has received the Award of Merit in Fundraising for outstanding service for the prevention of blindness. During her chairpersonship for this charity in 1980, \$58,000 was raised. She is also currently serving as chairperson of the mayor of Jacksonville's Commission on Aging.

In her spare time, Eve Norton has found time to promote the new breast care clinic established at Jacksonville's Baptist Hospital. This clinic is a first in the country.

In spite of all this whirlwind activity, Eve's real love remains the Korn Kob Klan. She organized and leads this fun musical group of young gals ranging in age from 50 to 87. These ladies wear outrageous garb and perform deadpan, tongue-in-cheek and are often known to mutilate the old standards they sing. Most of their performances are free; however, dona-

tions of as much as \$250 for a show have been made when the Korn Kob Klan performs for conventions. The Klan has performed free throughout the State of Florida before audiences in nursing homes, retirement homes, food sites, and other places. The Klan also performs at high schools, hospitals and for family and church groups.

During the 20 years the Klan has been in business, they have earned and given away thousands to charitable causes. Their gifts have been to the young, the elderly, the needy, the police, the opera, as well as scholarships and grants.

Eve Norton is most proud of her Korn Kob Klan entertainment group and the happiness the Klan has been able to bring into the community, not only in the form of turning cash back into the community where needed, but for bringing joy into the lives of so many people.

It should give us all great comfort to know that the city of Jacksonville has a person like Eve Norton, who has dedicated so much of her life to helping others. At a time when so many have looked to the Federal Government for the solution of community problems, Eve Norton has proven that hard work, dedication, and a love for her community will go a long way toward improving the quality of life for many neighbors who are less fortunate than most of us. As we wish a happy 20th anniversary to the Korn Kob Klan, I am sure I speak for a great majority of my colleagues as well as her friends and neighbors in Jacksonville, Fla., in wishing good luck and Godspeed to Eve Norton and her Korn Kob Klan for many years of continued community involvement. ●

RUDOLF HESS—POLITICAL PRISONER NO. 1—PART III

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. McDONALD. Mr. Speaker, on two previous occasions I have presented some little-known and less-understood facts of the case of Rudolf Hess, because as an American, I cannot understand the continued participation of the U.S. Government in an episode which will go down in history as an atrocity.

That a man 87 years of age should be guarded by American troops assigned the duty of assuring that 40 years of imprisonment becomes 41, that 15 years of solitary confinement becomes 16 years—that fact demeans all of us. And to be told that we "must" continue this practice because the hostile, totalitarian, Soviet regime wants it that way simply makes it more demeaning. No truly great

nation is forced by its enemies to collaborate with them in the perpetration of atrocities.

Dr. Albert Seidl has been the legal representative of the Hess family since the days of the Nuremberg trials. Dr. Seidl is a member of a distinguished German-Jewish family; he has served as West German Minister of Justice and is a long-standing member of the Bavarian state legislature. As a jurist with experience at the highest levels of government, Dr. Seidl is aware of the anomalous position of the West German Government itself. It is a government of only part of a nation, and in many awkward respects, it remains a creature of the post-World War II occupation.

One aspect of this is the fact that the people of West Germany, through taxes imposed by the West German Government, are required to pay for the maintenance of a prison they do not want and do not control. Spandau Prison, in Berlin, a 19th century institution built to house 600 inmates, has, for the past 15 years, contained just one old man, plus an array of staff members and guards. Our own Government is a full and continuing participant in this tragic farce.

We are told that the unilateral release of Hess would violate the four-power agreement under which Berlin is still governed. Need we be reminded that only a week ago the 20th anniversary of the Berlin wall was observed—the wall being a very gross violation of that same four-power agreement.

Two years ago, Dr. Seidl addressed a message on the Hess case to the United Nations Commission on Human Rights. He made the following array of points:

As the defense counsel of the former Reichsminister Rudolf Hess in the trial before the International Military Tribunal (IMT) in Nuremberg I had occasion to speak with my client in the Spandau Allied Prison in Berlin and take notice of his steadily deteriorating state of health. Let me take this opportunity on behalf of my client to invite your attention to the following facts and circumstances and ask you at the same time to submit this case to the U.N. Commission on Human Rights:

I.

It must be re-emphasized time and again that the IMT in Nuremberg cleared Rudolf Hess of the charge of having committed war crimes and crimes against humanity. Of course, it is also of importance in this context that his flight to Great Britain took place as early as May 10, 1941, i.e. prior to the outbreak of the war with the USSR.

Rudolf Hess was sentenced to life imprisonment on the grounds of having participated in the planning for and preparation of a war of aggression. The evidence presented at the IMT did not show any facts justifying the conclusion that Hess exercised any decisive influence on Hitler's political and military decisions. He had not attended any of the conferences the minutes of which were submitted by the prosecution in Nuremberg in evidence of Hitler's aggressive intentions, and the IMT verdict quoted these

in detail. These were the conferences of November 5, 1937, May 23, 1939, August 22, 1939, and November 23, 1939, during which Hitler expressed his ideas in front of the Foreign Affairs Minister, the Minister of War and/or the Chief of the Supreme Command of the Armed Forces, and the Commanders-in-Chief of the Army, Air Force and Navy. In the decision of the International Military Tribunal Rudolf Hess had primarily been charged with the following main points:

"The signing of the Law Concerning the Introduction of the Universal Compulsory Military Service, dated March 16, 1935;

"The call upon the German people to make sacrifices for military armament ('guns instead of butter');

"The alleged knowledge of Hitler's plans of aggressions;

"The presence in Austria and the co-signature of the Law Concerning the Reunification of Austria with the German Reich on March 13, 1938;

"The signing of the Regulation for the Installation of a Government of the Sudetenland on April 14, 1939;

"The support of a proposal of the German government to Poland in a public speech on August 27, 1939;

"The signing of a Regulation Concerning the Incorporation of Danzig into Germany and the Establishment of the Polish 'Generalgouvernement'."

None of these acts is punishable under the provisions of crimes against the peace.

In fact there was no valid provision which made a head of state, minister, general or other leader personally responsible under criminal law at the outbreak of World War II on September 1, 1939. The community of States bound by International Law as well as the League of Nations have always condemned violence as an act of the State against International Law, but never thought of accusing persons in an official capacity of an aggressor State, let alone of charging such persons before an international criminal court.

Such a provision still does not exist in International Law. All efforts to codify the principles applied by the victorious powers at Nuremberg within the framework of the United Nations failed because of the resistance by the big powers.

The Human Rights Commission of the UN should, in evaluating the competencies adopted by the victorious four powers of World War II also consider the principle of equality and reciprocity of International Law and duly apply this in the negotiations with the custodial powers. The punishment of crimes against peace, of crimes against humanity and of war crimes in 1945 has been turned into a one-sided punishment of the vanquished and a one-sided reservation of amnesty for the relatives and supporters of the victors. This is a violation of the principle of equality and reciprocity of International Law (so-called *tu quoque* principle); this finally also poses the threat of only a lost war being a crime, and not in every case at that.

According to the Preamble of the General Declaration of Human Rights of December 10, 1948, it is an important commitment of the United Nations to protect human rights by the rule of law and to enforce general support for and implementation of human rights and basic liberties. According to Art. 9 of this Declaration, as quoted above, nobody may be kept in arbitrary confinement. Also in the Preamble to the UN Convention on Human Rights of December 16,

1966, (B. International part on Civil and Political Rights) the United Nations undertake to promote human rights and basic liberties and to uphold the rights recognized in this Pact. This applies in particular, as aforesaid, to the right of personal freedom (Art. 9). This right has been denied to the former Minister of the Reich, Rudolf Hess, since October 1, 1946. Since that date he has been kept imprisoned without legal cause, i.e. has been deprived of his freedom. Presumably there has rarely been a case with such a clearcut legal status as in the case of Rudolf Hess.

Just a few days after the announcement of the verdict of the International Military Tribunal, i.e. on October 5, 1946, the London weekly, *The Economist*, summarized the legal conclusions to be drawn therefrom as follows:

"During the trial the defence lawyer Seidl produced witnesses, including Baron von Weizsacker, permanent Secretary of State in the German Foreign Office from 1938 to 1943, who testified about a secret treaty attached to the Nonaggression Pact and providing for territorial partition of six European states between Germany and the Soviet Union. The prosecution made no attempt to disprove this evidence; nevertheless, the judgment completely ignores it. Such silence unfortunately shows that the Nuremberg Tribunal is only within limits an independent judiciary. In ordinary criminal law it would certainly be a remarkable case if a judge, summing up on a charge of murder, were to avoid mentioning evidence of the part played by an accomplice in the murder because the evidence revealed that the judge himself had been that accomplice. That nobody thinks such reticence extraordinary in the case of Nuremberg merely demonstrates how far we still really are from anything that can be called a 'reign of law' in international affairs. Both Britain and France are on record as having concurred in the expulsion of the Soviet Union from the League of Nations for its unprovoked attack on Finland in 1939; this verdict still stands and is not modified by anything which has happened since. In 1939 Moscow openly gloried in military co-operation with Germany for the destruction of Poland, 'that ugly offspring of the Versailles treaty,' and Ribbentrop in his last pleas quoted a cable of congratulation from Stalin as proof that the Soviet Union had not then regarded the war against Poland as an aggression. The contrast between 1939 and 1946 is indeed fantastic, and it is too much to expect that either historians in the future or Germans in the present will share in the current United Nations convention of not seeing it."

The foregoing shows that the IMT was no "competent court" in accordance with Article 5 of the European Convention for the Protection of Human Rights and Basic Liberties dated November 4, 1950. But above all, it was no "independent, impartial court founded on law" in the terms of Art. 14 of the International Pact on Civil and Political Rights (Human Rights Convention of the United Nations dated December 16, 1966).

All of this also shows that the IMT trial was no trial in strict terms of law and that the verdict of that tribunal too was no verdict within the legal definition.

"It follows from this that the conviction of Rudolf Hess for 'crimes against the peace' is a violation of human rights. Article 11, Section 2 of the Human Rights Declaration of December 10, 1948, Article 7, Section 1 of the International Covenant on Civil

and Political Rights of December 6, 1966, are based on the principle that no person may be convicted for an act or omission which took place at a time when that act or omission was not punishable under national or international law."

The burden of response apparently fell upon Mr. Gamal Badr, "Deputy Director for Research and Studies" at the Commission on Human Rights at United Nations headquarters. The interest which Mr. Badr developed in the case of the world's oldest political prisoner, and the care with which he read the materials presented by Dr. Seidl, is revealed in his response. Mr. Badr presumes that Hess was found guilty of the precise offenses of which he was acquitted, and goes on to describe the vast benefits which flow to mankind as a whole, in consequence of the atrocious treatment accorded to the person who was found not guilty!

Let Mr. Badr speak for himself here. His reply to Dr. Seidl is as follows:

"As to the human rights aspect of his case on which you have placed an emphasis in the letters, your kind attention is drawn to General Assembly resolution 2583 (XXIV) in which the Assembly, inter alia, expressed its conviction that punishment of persons responsible for war crimes and crimes against humanity 'constitute an important element in the prevention of such crimes, the protection of human rights and fundamental freedoms, the encouragement of confidence, the furtherance of cooperation among peoples and the promotion of international peace and security.'"

Having successfully missed the point of Hess' innocence of "war crimes" and "crimes against humanity," Mr. Badr further hides behind another bulwark of hypocrisy, Article 107 of the United Nations Charter. In essence, Article 107, which is usually referred to as the "enemy states clause," says that the winners of World War II shall be free to do as they please to the losers, all the fine principles of the Charter notwithstanding.

Mr. Badr manages here to miss the point that it is "states" which are referred to, and that not even Article 107 deprived every individual member of a defeated state of his or her human rights forever after. The numberless additional legal flaws involved in the Nuremberg Trials are discreetly ignored in Mr. Badr's response:

"You are no doubt aware that according to Article 107 of the United Nations Charter, nothing in the latter 'shall invalidate or preclude action, in relation to any State which during the Second World War has been an enemy of any signatory of the present Charter, taken or authorized as a result of that war by the Governments having responsibility for such action'. You may also wish to recall that by resolution 95 (I) 'Affirmation of the Principles of International Law recognized by the Charter of the Nuremberg Tribunal' the General Assembly of the United Nations took note of the Agreement for the establishment of an International Military Tribunal for the prosecution and punishment of the major war criminals of the European Axis signed in London on 8 August 1948, and affirmed the principles of international law recognized by the Charter of the Nuremberg Tribunal and the judgment of the Tribunal."

A rebuttal of the careless and ignorant position expressed by Mr. Badr, as the official spokesman for the United Nations Commission on Human Rights, has been made by Dr. Dieter Blumenwitz, who holds the Chair for International Law, General Government, German and Bavarian Law, and Polit-

ical Sciences at Wurzburg University. This rebuttal is twenty pages long; suffice it to say that it shreds the validity of Mr. Badr's presumptions.

Dr. Blumenwitz concludes:

"(1) The U.N.O. is not prevented either by Article 107 or by any other provisions of international law from taking up the case of Rudolf Hess or from investigating it from the point of view of its human rights aspects.

"(2) In the past, the U.N.O. paid particular attention to *** prisoners of war. In this connection, it deserves to be mentioned that Rudolf Hess—as the European Commission on Human Rights expressly stated—was initially treated as a prisoner of war after his landing in Great Britain on May 10, 1941."

From that day to this, Hess has been a prisoner. He sought to prevent Germany and Britain from destroying another generation of their youth. He was a British prisoner of war when the "war crimes" of which Mr. Badr presumes him guilty were committed, which is why even the "hanging court," as the International Military Tribunal surely was, could not quite find him guilty of them.

The indifference of the "human rights" clique to the genuine plight of the world's oldest and longest-held political prisoner will stand as yet another monument to this Age of Hypocrisy. But the American people should not permit their government to involve them further in this singular atrocity. ●

CHICAGO'S OBSERVANCE OF CAPTIVE NATIONS WEEK

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. DERWINSKI. Mr. Speaker, Mr. Tedis Zierins, a Chicagoan who fled Communist rule in Latvia, recently sent me several articles reporting on the dramatic observance of Captive Nations Week in the Chicago area. I wish to insert them along with a proclamation issued by Mayor Martin J. Butler of the Chicago suburb of Park Ridge, Ill., and a resolution issued by the Captive Nations Committee of Chicago by its chairman, Ilmars Bergmanis.

[From the Park Ridge Advocate, July 16, 1981]

PROCLAMATION

Whereas, twenty-two years ago Captive Nations Week was inaugurated by a Joint Resolution of the Eighty-sixth Congress; and

Whereas, throughout our history we Americans have held the deep belief that liberty and independence are among the most basic and inalienable rights of people everywhere; and

Whereas, it is vital to the national security of the United States and other free nations of the world that the desire for liberty be kept alive, especially remembering the citizens of more than thirty countries now under Communist rule; and

Whereas, each year Captive Nations Week has provided a fitting opportunity for the American people to show their concern for

those whose governments do not permit the same freedoms we enjoy; and

Whereas, the present United States Congress has this year designated July 18 as "National POW-MIA Recognition Day" to remember those Americans who may still be held prisoners of war or missing in action: Now, therefore,

I, Martin J. Butler, Mayor of the City of Park Ridge, do hereby proclaim the week of July 12 to 18, 1981, as "CAPTIVE NATIONS WEEK" and urge all citizens to support this annual observance, and special recognition to be given on July 18 to those Americans now classified as POW or MIA.

In witness, Whereof, I have hereunto set my hand and caused the seal of the City of Park Ridge to be affixed this 8th day of July, 1981.

CAPTIVE NATIONS DAY IN CHICAGO— RESOLUTION

Whereas, in Eastern Europe, Southeast Asia, Cuba, and most recently in Afghanistan, men, women and children, once free, are denied the free exercise of their fundamental constitutional and human rights; and

Whereas, nations, once free, are deprived of their right to self-determination; and

Whereas, the expansion of the Soviet colonial empire and its aggressive policies are now the greatest threat to world freedom: Now, therefore, be it

Resolved by the participants of the Captive Nations Day rally,

That the people of Captive Nations have not lost their dedication to the ideals of freedom or their desire to see their own nations free,

That on this day we should reaffirm our beliefs in the principles of freedom and renew our dedication in the struggle to free the people subjugated by the Soviet empire; Be it further

Resolved, That we call upon the United States government to commit itself to the cause of the Captive Nations and exert pressure on the Soviet government to obtain the release of all national, political and religious prisoners, to end further persecutions and to demand, as provided in the United Nations Declaration, freedom and self-determination for all peoples under constitutional government and a life of liberty and self-fulfillment for all the peoples of the Captive Nations.

RED "CANCER" WARNED BY LINDSTROM

In a rousing speech at the Captive Nations Day rally at the Daley Plaza, Saturday, the Rev. Paul Lindstrom urged Americans to become more informed about the "Cancer of Communism," and to support captive people throughout the world.

"As Americans, we need to be activists for freedom," said Lindstrom, the arch-conservative pastor of the Christian Liberty Academy in Prospect Heights. "We must get involved; we must let our political leaders know we expect them to do everything possible to help people of captive nations win their freedom."

Lindstrom, widely known for his formation of the "Remember the People Committee" in 1968, drew enthusiastic applause several times from the crowd of about 400 clustered around the podium in the shadow of the Picasso statue.

The crowd, consisting of representatives of the 30 captive nations identified by the National Captive Nations Committee, carried signs bearing slogans such as, "Freedom for Lithuania," "Withdraw all troops from Laos," and "God Bless America and Guard

our Freedom." During the rally members of the Polish group, Pokolenie, passed out helium-filled balloons emblazoned with the name of the Polish union, Solidarity, and burned a Soviet flag.

Other speakers, including Chicago Congressmen Frank Annunzio, Henry Hyde and Edward Derwinski, and A. Mazewski, president of both the Polish American Congress and the Polish National Alliance, denounced the Soviet Union's violation of human rights throughout the world.

"Your credentials to address the Captive Nations Day audience are greater than my own because you have been the ones to who have been subjected to Marxist brutality," Lindstrom told the crowd. "Your credentials include the scars on your backs, the tears you have shed and the sacrifices you have made so that you and others might be free. On this side of hell, there is nothing more terrible than the degradation of communist tyranny."

The committee sponsoring the rally was formed to promote the Captive Nations Week Resolution signed by President Dwight D. Eisenhower on July 17, 1959, when only 22 nations were listed under the control of the Soviet Union.●

UNIT 84 WINS MAE HOLMS AWARD

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. CHAPPELL. Mr. Speaker, today I wish to congratulate unit 84, of the Disabled American Veterans Auxiliary of Holly Hill, Fla., for winning the coveted Mae Holms Award at the recent national convention of the DAV and DAVA held in Miami Beach, Fla.

The Mae Holms Award is the highest honor that can be bestowed on an auxiliary unit. The award is for excellence of achievement in all five of the auxiliary's major programs: Americanism, community service, hospital, legislation, and volunteer services in Veterans' Administration medical centers.

From the 1,730 auxiliary units that competed for the Mae Holms Award, only 1 unit of 100 or less and 1 unit of 101 or more are eligible to receive this accolade. The 240 members of unit 84 worked many hours at fundraising and various programs, with special efforts given by Commander Margarette Kwalik, Adjutant Marge Duffy, Chaplain Evelyn Belt, and Chairpersons Betty Ertel, Sally Gavin, Merle Gee, and Catherine Dobbs, who coordinated most of these projects in 1980-81.

We in Florida's Fourth Congressional District take great pleasure in knowing that unit 84 of the Disabled American Veterans Auxiliary has won this coveted award over stiff nationwide competition. On a personal basis, it gives me a deep sense of pride knowing that the members of unit 84 have given so much of themselves in improving the Holly Hill community in which they live. It is ordinary folks like those in unit 84, who have volun-

teered so much of their time and their energy, to make this country the great Nation it is today. Their selfless devotion to their neighbors and community is what America is all about and speaks well for all Disabled American Veterans.●

THE TWO SIDES OF SUPPLY- SIDE

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. McDONALD. Mr. Speaker, Dr. Hans Sennholz, who in my opinion has the best economic mind in America today, has written an excellent article entitled, "The Two Sides of Supply-Side," which appeared in the August 1981 issue of *Private Practice*. He points out that the supply-side arguments seem to be mere arguments for temporary restraint and delay. While this is a step in the right direction it will not stimulate economic activity on a long-term basis. To provide long-term stability we need to return and engage in genuine discussion of the morality and desirability of economic transfer by political force. This is the only way the Reagan program will succeed and prevail. I commend the article by Dr. Sennholz, who not only addresses the economics involved but also discusses the immorality of the welfare state, to the attention of my colleagues:

THE TWO SIDES OF SUPPLY SIDE

(By Hans Sennholz, Ph. D.)

In politics, the days we pass with new hope and happy prospects are more numerous by far than those coming to fruition. With every new election, hope offers an easy and universal cure for all our social and economic ailments. Yet, our hopes always prove to be delusions that in the end leave us nothing but hope.

With Ronald Reagan in the White House, many investors and businessmen are clinging to the hope that they will see inflation subside, their taxes lowered, economic expansion resumed and our levels of living permitted to improve again. The U.S. business community, almost without exception, is envisioning a new trend called "supply-side economics" that should restore economic vitality and growth.

THE RIGHT HAND GIVETH * * *

The new trend promised to provide a powerful incentive to boost the rate of economic expansion and create an investment boom. To that effect, the administration is proposing a 25 percent cut in personal income tax rates over the next three years. The maximum tax on investment income is to be reduced from 70 percent to 50 percent and the top capital gains rate from 28 percent to 20 percent.

An accelerated depreciation plan would allow businesses to write off buildings in 15 years, utility property in 10 years, machinery in five and vehicles in three years. Business taxes will be lowered. But the 22 percent increase in Social Security taxes im-

posed on individuals by the previous Congress will remain in effect. Moreover, the 25 percent cut in personal income tax rates will barely compensate for the higher brackets in which individuals will find themselves as wages and salaries increase to keep up with inflation. It is hoped, though, that the tax reform will produce a jump in personal savings and investments that will enable financial institutions to finance not only the federal deficits but also investments in housing and business.

STORMY SEAS MAY BE BECALMED

It is clear the Reagan program has garnered some popularity in the U.S. Congress just as it has with the business community. Ironically, the majority of the present Congress passed the very tax legislation that is responsible for the economic stagnation. These same congressmen imposed the punitive rates on investments income and the confiscatory rates on higher incomes. To expect them after many decades of taxing and spending to think of economic production and growth is to believe in political miracles—but miracles may yet happen.

No matter what the outcome of the House-Senate conference committee, the Reagan program deserves our objective analysis of probable effectiveness and potential effects regardless of political considerations. We must raise, and hopefully answer, the question of how it may work.

This writer, always skeptical of political answers and fearful of the harm inflicted by political actions, is rejoicing about the mere fact there is a tax-cut debate. After all, before there can be reason and sanity in political life, there must be reasonable and sane public discussion. In political life, as in all other aspects of human life, thought always precedes action, and changes in public thought and ideas precede changes and policy.

The current debate pits the old ideological forces against new supply-side forces. The old forces, represented by numerous liberal legislators, are repeating the popular arguments for using political force to redistribute income and wealth. They argue for economic equality and equal opportunity through political action. Because government has no income or wealth of its own, they favor the seizing of income from the more productive members of society and its transfer to poorer members. Waxing eloquently about social peace and harmony through forced redistribution, they appeal to the most numerous class of voters and promise them ever more benefits by taxing the only source of economic wealth: economic activity.

WHETTING THE APPETITE

In the heated political debates, the advocates of supply-side economics are tempted to fall back on a set of arguments that is convincing politically but counterproductive ideologically. When pressed for more benefits to the poor and needy, they merely resort to "lack of funds." They talk about huge budgetary deficits and the resulting soaring inflation. They argue in favor of reducing the rate of transfer growth on grounds of fiscal responsibility, but do not attack the rationale of transfer. By merely pleading "lack of funds" they are, in the ensuing silence, yielding to the case for forced redistribution. They have thereby strengthened the expectations of transfer in the future, when economic production speeds up again and new transfer funds become available. In short, most supply-side arguments seem to be mere arguments for tem-

porary restraint and delay that do not ring true with impatient Americans.

Observers of supply-side economics may remember President John F. Kennedy's tax reform program, which actually lowered business taxes and generated a remarkable economic boom. In the long run, however, the business expansion of the early 1960s was dissipated entirely by the enormous transfer expansion during the late 1960s and throughout the 1970s. It greatly sharpened the appetites of the transfer forces.

THE GREAT DISASTER

A few advocates of supply-side economics actually question the moral and economic foundation of the transfer system. They point out, correctly, that during the last two decades federal policies have progressively weakened economic production until it has fallen into stagnation and recession. Throughout the 1970s, unemployment has risen to deplorable levels as most Americans' standards of living have fallen. Most have fallen back to 1970 levels and may soon be back at 1965 or even 1960 levels, according to some estimates.

The economic conditions of most of the beneficiaries, the blacks and Hispanics in teeming city slums, are immeasurably worse today than they were 20 or 30 years ago. The transfer program, massive in scope and magnitude, has been an unmitigated economic disaster even from the point of view of those it was supposed to benefit. Equally important, it has weakened or even destroyed the moral fiber of millions of beneficiaries lingering at the public trough. Rampant crime and public immorality have become constant threats to the lives and property of countless Americans. Such are the fruits of a welfare state that appeals to envy and covetousness and practices economic redistribution by political force.

The voices of moral condemnation are barely audible in the noise of political debate. Therefore, even if the Reagan program does prevail, we must cast doubt on the effectiveness and durability of the reforms. Surely, we must not overlook the possibility that the reform forces leaning heavily now on arguments of fiscal expediency, may in the future return to moral and philosophical arguments that go to the roots of our economic and social dilemma. When they return and engage in genuine discussion of the morality and desirability of economic transfer by political force, we shall welcome them and join them in a new hope for a new beginning.

In the meantime, the tax-cut debate rages on, generating more heat than light. The federal deficit for the present year may exceed the \$60 billion deficit of the last year, casting new doubt on the reform proposals. After all, the deleterious effects of deficit spending are the same under a Republican administration as they are under a Democratic administration. Deficits consume capital, which is the brick and mortar of economic expansion and improvement. They exhaust the capital markets, deprive businesses of their foundations and depress wage rates and levels of living. Indeed, they are counterproductive.

DEFICITS CLOUD THE PICTURE

Will supply-side economics, when fully adopted by the U.S. Congress, stimulate economic activity? I doubt it, as long as staggering federal deficits continue to consume our capital substance. Massive government borrowing causes interest rates to soar; government is insensitive to rising costs, whether they be 10 percent, 15 percent or even 20 percent.

Business though is highly sensitive to costs. In fact, all business activity—in particular, capital investment—is completely determined by costs. It explains why business can easily be crowded out of the loan markets when government appears on the scene seeking to meet its deficit obligations.

WHETHER A LENDER OR INVESTOR BE

A simple calculation may illustrate the point. When the U.S. Treasury pays 15 percent or more on its short-term obligations at the same time business is struggling to earn 5 to 10 percent, liquid capital tends to flow to government. Who would want to make a risky investment in business and perhaps earn 5 to 10 percent, if the U.S. Treasury is offering 15 percent without any risk to the investor? In fact, it would be rational and economical for business to reduce its reserves to a minimum in order to lend more funds to the Treasury. Obviously, no business boom can develop under such conditions. Supply-side policies are bound to fail because the business tax reductions merely facilitate the financing of federal debt. Guided by lofty interest rates, tax rebates flow right back to the Treasury as loan funds.

The supply-side economists crowding around Reagan have a ready answer to this objection. The income tax reductions will encourage most Americans to save and invest more so that interest rates will come down substantially. Both government and business will obtain their fair share of new loan funds coming into the market, permitting government to cover its deficits and business to invest in new facilities and equipment.

Surely, we must agree with these optimists provided the American people will actually save and invest more in the future. If mortgage rates were to fall to 12 percent, or even 10 percent, because new savings flow into thrift institutions, the housing industry would spring to life. But if, for any reason whatever, the savings are not forthcoming or government makes ever new demands for deficit financing and interest rates remain at lofty levels, there can be no economic expansion. Government deficits are always depressive no matter who suffers from them. ●

AT WHAT COST WILL THE BRITISH CONTROL NORTHERN IRELAND?

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. BIAGGI. Mr. Speaker, as chairman of the bipartisan Ad Hoc Congressional Committee for Irish Affairs, I wish to bring to the attention of my colleagues a most informative article from a recent edition of *New Statesman* magazine. The article written by Political Editor Peter Kellner focuses on a most important, but little known aspect of the Northern Ireland issue—how much it costs Great Britain to maintain its direct rule over Ulster.

The answer is startling. According to Kellner, "All told then, Ulster receives subsidies totaling 1.5 billion pounds a year from Britain—or almost half of the province's annual public expendi-

ture of 3.3 billion pounds." Upon closer examination, we discover that included among this 1.5 billion pound expenditures is an estimated 320 million pounds for the Royal Ulster Constabulary—the main police force in Northern Ireland. Great Britain spends six times as much on law and order in Northern Ireland than in any other area of government expenditures.

These expenditures are incredible when one considers the precarious state of the British economy today. One would assume that this massive and constant infusion of money into Northern Ireland over the past 12 years would have brought stability and prosperity to the region. Nothing could be farther from the truth. More than 2,000 people have died from violence since the British introduced their security forces into the North. In the past decade, there has been a 27-percent reduction in the number of manufacturing jobs in Northern Ireland. Unemployment in the North has consistently exceeded the national rate for Great Britain. In certain minority neighborhoods, unemployment among Catholics is running as high as 40 percent.

When one looks to the day when peace, justice, and freedom might again reign in Northern Ireland—one realizes that the declaration of intent by the British Government to remove their presence is a vitally important prerequisite. The Kellner article suggests that for economic reasons—in short time that may in fact have to be the British policy. If this happens, I recommend that the United States be in a position to provide economic aid to Northern Ireland.

The Kellner article follows:

THE MOST SUBSIDISED PEOPLE ON EARTH
(By Peter Kellner, Political Editor)

There are many ways in which the British government could spend £1.5 billion. It could restore the housing, school and hospital-building programmes to the levels of the mid-70s, and so generate extra jobs and a better welfare state. Or it could almost double overseas aid, and keep the navy in the style to which it has become accustomed—and so win a standing ovation from the western alliance and the third world. Or it could cut income tax by two pence in the pound, and give us each a little more to spend. Or it can carry on financing its policy in Northern Ireland, risking death to British soldiers, attracting the opprobrium of the rest of the world, and securing no moral, social or financial dividend whatsoever from its investment.

To discuss Ulster in terms of money rather than principle may seem irrelevant, even sordid. If it is right to stand by the Protestants, should we not do so whatever the price? Alternatively, if it is right to work for British withdrawal and a united Ireland, should we not regard this as the culmination of an historic mission rather than a temporary respite for the public sector borrowing requirement?

Perhaps. There are, though, three reasons why an examination of the economic facts is

worthwhile. First, it is one way—admittedly very partial—of discovering something of the true relationship between Britain and the province. Second, Ulster is not the sole moral issue British politics: the Provision of decent welfare services is another, and when money is tight the financial cost of servicing one principle is liable to be paid by sacrificing another.

Third, to probe the financial link between Britain and Ulster is to ask some awkward questions about what British policy has done to everyday life in even the more peaceful parts of the province. The answers are frightening.

The main subsidy to the Ulster economy voted by MP's at Westminster is the annual Grant-in-Aid. This totalled £654 million in 1980-81; the provision for 1981-82 is up 20 per cent, to £785 million. This essentially covers the gap between what is collected in Ulster in taxes, rates etc and what is spent there on public services such as roads, housing, schools and hospitals.

But that figure tells only half the story. "Law, order and protective services"—mainly, the cost of the Royal Ulster Constabulary—are financed separately. These are expected to cost £326 million this year. To this must be added the extra cost of keeping troops in Ulster, over and above what it would cost to keep them on Salisbury Plain or the banks of the Rhine. According to the latest Public Expenditure White Paper, this was £103 million last year, at autumn 1979 prices—which implies a 1981-82 figure at current prices of around £130 million. So the overall figure for—how shall we put it—exerting Her Majesty's authority in Northern Ireland is about £450 million this year. That works out at almost £6 a week for everyone living in Ulster; the cost of law'n'order in the rest of the UK is less than £1 a week per person.

There is, in addition, a further sum not voted by Parliament at all in advance. Each year "parity payments" are made to the Northern Ireland insurance fund. This is roughly the gap between what companies and workers pay in national insurance contributions, and what (principally) the unemployed and pensioners receive in benefit. With the recession deepening and more than one in five not jobless in Ulster, the parity payments are inevitably on the increase. In 1981-82 they may well approach £200 million.

All told, then, Ulster receives subsidies totalling £1.5 billion a year from Britain—or almost half the province's annual public expenditure total of £3.3 billion (see table.) That is equivalent to a subsidy of £20 per person per week.

Ulster: the true bill

[In millions of pounds]

Income 1981-82:	
Locally-generated taxes, rates, national insurance etc.....	1,800
Payments from Britain:	
Grant-in-aid.....	800
Police, army, prisons.....	450
National insurance.....	
Parity payments.....	200
Agricultural subsidy.....	50
Subtotal.....	1,500
Total income.....	3,300
Expenditure for 1981-82:	
Health, education.....	1,000
Social Security.....	900
Industry, agriculture, transport ..	500
Police, army, prisons.....	450

Housing.....	250
Miscellaneous.....	200
Total expenditure.....	3,300

(It is possible to argue that the subvention is even higher: if, for example, Ulster is deemed to receive its share of the "benefit" of Britain's general defence expenditure, then another £300 million should be added. The £1.5 billion calculation assumes, in effect, that Ulster receives national benefits such as NATO membership for free. Lucky Ulster.)

If any other part of the UK received a £1,000-a-head subsidy (and no other region comes remotely near that), you might expect an unparalleled surge in prosperity. And, to some extent, Ulster has benefited: between 1966 and 1978, living standards rose twice as fast in Ulster as in mainland Britain.

But in other ways, the Ulster economy has grown steadily weaker. Unemployment is worse by far than elsewhere in the UK; and within the province there is a sharp difference between Protestant areas where the rate is 10-20 per cent, and Catholic areas, where it is generally 25-35 per cent. An analysis by Bob Rowthorn to be published in a coming issue of the Cambridge Journal of Economics paints a fearsome picture of what has happened since the early 1970's.

A decade ago Ulster had a balanced, if none too prosperous, economic structure. Since then industrial jobs have disappeared at a much faster rate than in mainland Britain, 27 per cent of jobs in manufacturing have gone. At the same time, public money has been poured at an unprecedented rate into jobs in health, education and administration. Public sector employment has risen by half in the past ten years.

One way of looking at the huge and growing subsidy of Ulster is that it has maintained living standards—largely via the creation of public sector jobs—in the face of general economic disintegration. Inward investment from Britain and abroad, which created more than 11,000 new jobs in manufacturing between 1966 and 1971, has largely dried up since then. All told, Rowthorn calculates, the conflict has destroyed or prevented the creation of about 40,000 jobs in industry, construction and private services—while Westminster's response to the conflict has been to create 15,000 more public sector jobs. (Both figures are relative, not absolute: they compare the present employment structure with what it would be if Ulster had developed in line with other depressed regions of the UK.)

The net effect of the conflict, therefore, has been to reduce employment by about 25,000—or about four per cent of the working population. At the same time the conflict has created grotesque distortions, turning Ulster into a workhouse economy where more and more jobs owe their existence to administrative fiat and institutionalised charity rather than to rational economic organisation.

In the long run—indeed, in the not-so-long run—the economics of Ulster are likely to become an unacceptable burden on Britain. At the same time, the Dublin government could not begin to meet the cost of supporting Ulster's living standards within a united Ireland. It may dent British pride for Tony Benn to suggest involving the United Nations or for David Owen to discuss the role of the Common Market; but the time is not far removed when an international solution to the problems of Ulster will be the only

one that either Dublin or London will be able to afford.●

AUTOWORKERS UNION, DEALERS AND MANUFACTURERS SUPPORT H.R. 4400

HON. BOB TRAXLER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. TRAXLER. Mr. Speaker, on August 4, Mr. HILLIS of Indiana and I introduced H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981.

Since that time, I have received statements of support for the bill from various foreign and domestic motor vehicle manufacturers, and from dealers and retail automotive manufacturer associations. In addition, as the result of our discussions with the United Auto Workers, the union has informed us of its support for the bill. These groups also call for prompt congressional action on this bill.

This legislation seeks to amend title II of the Clean Air Act in order to provide a more balanced approach to regulating mobile source emissions. Both Mr. HILLIS and I want to be certain that the quality of our air is maintained at levels which would not jeopardize the health of Americans. We also want to hold down excessive Government regulation and provide opportunities for reemploying the thousands of autoworkers who have been laid off as a result of the downturn in our domestic auto industry, which has been caused in part by the cost of Government regulation.

We are particularly pleased to have the support of the United Auto Workers, an organization that is committed to providing for a healthy environment and to preserving jobs. The UAW, which was consulted in the development of the provisions of our bill, has advised us of its support for the carbon monoxide, oxides of nitrogen, and hydrocarbon emission levels presented in this legislation, based on the weight of current scientific data which indicates that the levels we are proposing will not adversely affect air quality.

Likewise, the Motor Vehicle Manufacturers Association, the National Automobile Dealers Association, and the retail auto industry participated in the development of this bill, and support the emission standards that we are proposing.

Mr. Speaker, we would like to include in the RECORD at this point a summary of the provisions of H.R. 4400, and copies of letters of support for this bill that I have received. We have also been advised that other letters of support are being sent to us, and we will include them in the RECORD at a later date.

EXTENSIONS OF REMARKS

The supplemental materials follow:
SUMMARY OF PRINCIPAL PROVISIONS OF H.R. 4400

Short title—Mobile Source Clean Air Act Amendments of 1981.

Standards—The bill would—

Establish the automotive carbon monoxide standard at 7 grams per vehicle mile (gpm), rather than the current 3.4 gpm level.

Establish by statute automotive NO_x standard of 2.0 gpm for diesel and gasoline fuel cars, rather than the current 1.0 gpm standard and eliminate waiver provisions now in the law that allow a higher diesel standard.

Require, without changing the current mandate that EPA set standards applicable to emissions from vehicles which cause or contribute to air pollution which may reasonably be anticipated to endanger public health or welfare, that such standards relate to achievement of the applicable National Ambient Air Quality Standard just as is required for stationary sources.

Require that EPA consider the cost of emission standards and their effect on competition and energy use in setting new standards.

Provide, in setting more stringent standards, minimum lead times of 48 months for new heavy duty vehicles and engines, and 36 months for all other new motor vehicles and engines.

Eliminate provisions that require that standards be set to achieve the greatest degree of emission reduction achievable through use of technology which EPA believes will be available, even though such technology is not available at a reasonable cost to the manufacturer and the consumer.

Provide that EPA may waive standards, after notice and public hearings, for up to four model years where the manufacturer demonstrates the waiver is necessary for use of an innovative power train technology, innovative emission control device or system, or alternative fuel (other than diesel fuel), or power source, and provide that the waiver will include a standard and apply to not more than 500,000 vehicles or engines of each model of a manufacturer.

Continue existing emission strategy in current EPA high-altitude regulations for model years 1982 and 1983 and provide for a study of the availability of models to high altitude dealers where there is a request therefor from dealers.

Provide greater flexibility for the EPA to set heavy-duty standards and regulations.

Provide for exclusion of methane in establishing hydrocarbon standards and allow for an allowance, determined by EPA, for vehicles and engines that emit low levels of evaporative hydrocarbon emissions.

Certification and testing—The bill would provide alternatives to current testing methods which must be approved by the EPA.

Enforcement—The amendment would provide that if EPA determines that, based on a statistically valid and representative sample of vehicles, any class or category of vehicles or engines, although properly maintained, used, and adjusted, do not on an average conform to the standards, the EPA must notify the manufacturer. The manufacturer then must promptly submit a corrective action plan to be approved by EPA that could include recall or some other acceptable enforcement mechanism.

Study of alternative emissions control program and the efficacy of existing program—The bill would require EPA to examine the existing air pollution control program to de-

termine its efficacy and, if appropriate, to develop alternative and practicable approaches to the control of emissions from mobile sources. Any new approaches must not diminish the air quality protection afforded by the Act. The new approach must have several objectives of stimulating economic growth, reducing costs, simplification, improving control of emissions consistent with the needs of safety, energy conservation, and consumer demand, and developing a financially healthy domestic industry. The study must identify and consider any competitive advantages to manufacturers of any new approach.

A report of the study must be submitted to Congress within a year after public comment thereon.

If EPA makes certain findings listed in the bill concerning such matters as feasibility of the new approach, air quality, and competition, EPA can, in its discretion, develop proposed regulations that meet certain criteria. But the regulations cannot be finalized except with the approval of Congress through the normal legislative process.

The study is not intended to prevent EPA from changing the program and its regulations within the bounds of the existing law.

AMERICAN MOTORS,
Southfield, Mich.

Hon. ELWOOD HILLIS,
Hon. BOB TRAXLER,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVES HILLIS and TRAXLER: I appreciate your introduction of H.R. 4400, the Mobile Source Clean Air Amendments of 1981. While the issues addressed in H.R. 4400 are important to all automotive manufacturers, timely enactment of certain provisions is particularly critical to American Motors.

Our statutory and administrative waivers for NO_x and CO expire with the 1982 models creating uncertainty regarding emission standards for 1983 model vehicles. This issue is of immediate concern as we currently are making decisions regarding our engineering programs for 1983 model year.

American Motors supports H.R. 4400 and we will assist in obtaining favorable action on the bill in a timely matter.

Sincerely,

GERALD C. MEYERS,
Chairman,
and Chief Executive Officer.

CHECKER MOTORS CORP.,
Kalamazoo, Mich.

Congressman BOB TRAXLER,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Checker Motors Corporation (CMC) of Kalamazoo, Michigan is pleased with the introduction of H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981 and wish to express our support for the bill.

We, as a member of the Motor Vehicle Manufacturers Association (MVMA), are aware of the implication of the bill and feel that the passage of the bill will go a long way in removing some of the extravagant costs and extreme burdens that have been imposed on the motor vehicle industry without undue jeopardy to our air quality.

CMC is a small volume motor vehicle manufacturer of primarily taxicabs and limousines and the regulations such as the Clean Air Act and the National Traffic and

Motor Vehicle Safety Act are extremely burdensome and costly to us based on our current annual vehicle production volume of between 3,000 and 4,000 total vehicles.

Our total reliance on the large volume engine manufacturers for technology relative to the Mobile Source Clean Air Act will allow us to benefit from the regulatory relief that this bill will provide to the automotive industry.

We hope that Congress will act promptly to approve this bill and wish to extend our support for it.

Very truly yours,

DAVID R. MARKIN,
President.

CHRYSLER CORP.,
Detroit, Mich.

HON. BOB TRAXLER,
U.S. House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Thank you for sending me a copy of H.R. 4400.

As I am sure you know, our people in Washington have been closely involved with the outstanding leadership effort you have provided on this bill. Needless to say, you have our commitment to support it, and we will do everything we can to urge action on the bill by the House Energy and Commerce Committee.

We appreciate your efforts in this very important matter and look forward to working with you in the weeks ahead.

Sincerely yours,

LEE A. IACocca,
Chairman of the Board,
Chief Executive Officer.

FORD MOTOR CO.,
Dearborn, Mich.

HON. BOB TRAXLER,
House of Representatives,
Washington, D.C.

DEAR MR. TRAXLER: Thank you for your letter and the copy of H.R. 4400. We at Ford certainly agree that this proposed legislation represents a sound and responsible approach to amending Title II of the Act.

We believe the provisions of your bill, if adopted, could yield major benefits to the industry and the consumer without jeopardizing attainment of national ambient air quality standards. These modifications will remove needless regulatory burdens and costs and contribute to the competitiveness of the U.S. auto industry.

It is in this spirit that we wholeheartedly endorse H.R. 4400. We stand ready to assist you in any way you believe appropriate in obtaining favorable action on your bill.

Sincerely,

PHILIP CALDWELL,
Chairman of the Board.

FREIGHTLINER CORP.,
Portland, Oreg.

HON. BOB TRAXLER,
House of Representatives,
Washington, D.C.

HON. ELWOOD HILLIS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMEN TRAXLER and HILLIS: Thank you for your letter informing me of your introduction of H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981. We have reviewed the bill and find that it indeed encompasses modifications of the Clean Air Act which Freightliner Corporation can heartily support. Passage of H.R. 4400 would make an important contribution to removing of the unnecessary costs and

burden of exhaust emission regulations relating to heavy duty trucks without jeopardy to air quality.

We are hopeful that the Congress will act promptly this session to approve these and other necessary changes (such as appropriate changes to stationary source provisions) to the Clean Air Act. In addition to our strong support of H.R. 4400, we are ready to assist you in obtaining favorable action on the bill by the House Energy and Commerce Committee in September through our work with the Motor Vehicle Manufacturers Association and in talking to our Congressmen from Oregon.

Yours sincerely,

RONALD E. BURBANK,
President
and Chief Executive Officer.

GENERAL MOTORS CORP.,
Detroit, Mich.

HON. ELWOOD HILLIS,
HON. BOB TRAXLER,
U.S. House of Representatives,
Washington, D.C.

DEAR MESSRS. HILLIS and TRAXLER: Thank you for your letter announcing introduction of H.R. 4400, the "Mobile Source Clean Air Act Amendments of 1981". We welcome this bill which will correct major problem areas of Title II of the Clean Air Act and we strongly urge that Congress act on it during this session. If enacted this fall, for example, rather than early in 1982, consumer cost savings for GM customers alone will be in the area of \$1 billion.

We also welcome the eleven principles announced by the EPA Administrator on August 5. These two actions should help provide the framework within which comprehensive legislation can be developed and passed this year amending both stationary and mobile source provisions of the Act to improve its effectiveness without reducing its benefits.

Your leadership in introducing H.R. 4400 is greatly appreciated. General Motors is ready to offer any further assistance in support of your efforts that may be required.

Sincerely,

ROGER B. SMITH,
Chairman.

JAPAN AUTOMOBILE MANUFACTURERS
ASSOCIATION, INC.,
Washington, D.C.

HON. BOB TRAXLER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TRAXLER: We have received your letter requesting JAMA's comments regarding H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981.

JAMA considers that the changes proposed in the bill will accomplish the twin goals of relieving unnecessary regulatory burdens that have been placed on the automobile industry, and preserving the gains that have been made over the past several years in protecting air quality. We believe H.R. 4400 addresses the immediate concerns of the automobile industry and hope that action will occur quickly.

JAMA member companies may have specific comments which they will either forward directly to you or transmit through the association. We would appreciate your attention to any individual comments within JAMA's general endorsement.

We are most pleased that you have asked us for our views on this legislation and look forward to working with you in any way

that we can to achieve its successful passage through Congress.

Sincerely yours,

AKIHIKO MIYOSHI,
General Director.

MACK TRUCKS, INC.

HON. BOB TRAXLER,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Mack Truck is most appreciative of the action taken by Congressman Hillis and yourself in introducing the Mobile Source Clean Air Act Amendments of 1981 (H.R. 4400). This legislation represents a careful and thoughtful modification of the current law. It continues efforts to secure proper environmental conditions while at the same time reducing the cost of any changes to both the manufacturers and users of motor vehicles. There are further refinements to the basic Act which are important to the heavy duty truck industry, however, we support H.R. 4400 and stand ready to be of any assistance you might desire.

We at Mack are most grateful for the leadership that you and Congressman Hillis have taken in sponsoring this legislation.

Most sincerely,

A. W. PELLETIER,
Chairman
and Chief Executive Officer.

MOTOR VEHICLE MANUFACTURERS
ASSOCIATION OF THE UNITED
STATES, INC.,
Washington, D.C.

HON. BOB TRAXLER,
House of Representatives,
Washington, D.C.

HON. ELWOOD HILLIS,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMEN TRAXLER and HILLIS: Thank you for your letter, wherein you asked the Motor Vehicle Manufacturers Association (MVMA) to review, and hopefully pledge support for, H.R. 4400, the Mobile Source Clean Air Act Amendments of 1981.

MVMA is pleased by the introduction of H.R. 4400. The bill encompasses modifications of the Clean Air Act supported by MVMA and its member companies. These modifications deal with timing and the level of some standards to reflect the most recent air quality data plus other changes that can be properly characterized as "fine tuning" to this important statute.

We feel that passage of H.R. 4400 would make an important contribution to removing some of the unnecessary costs and burdens of motor vehicle regulations without jeopardy to our air quality.

It is urgent that Congress act promptly this session to approve these and other necessary changes, such as appropriate changes to stationary source provisions, to the Clean Air Act. The announcement on August 5 of the eleven principles the Administration wishes to see contained in legislation should help in accomplishing passage of a comprehensive bill this year.

We stand ready to assist you in obtaining favorable action on the Bill H.R. 4400 by the House Energy and Commerce Committee in September.

If there is any other assistance we can provide, please feel free to let us know.

Very truly yours,
V. J. ADDUCI,
President
and Chief Executive Officer.

NATIONAL AUTOMOBILE
DEALERS ASSOCIATION,
McLean, Va.

Hon. BOB TRAXLER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TRAXLER: At the outset, NADA applauds your introduction with Mr. Hillis of H.R. 4400. Expedient passage of this legislation is imperative if the cost savings necessary to help spur the industry's recovery are to be realized.

NADA has traditionally worked closely with the automobile manufacturers in trying to establish emissions standards that are cost-effective while at the same time provide the desired air quality improvements. We believe the concepts embodied in H.R. 4400 satisfy these goals and we will be actively seeking the passage of your bill.

As you are probably aware, NADA was directly involved in formulating the provisions allowing for a study by EPA of model availability for high altitude dealers, if requested. Inasmuch as little real world experience relative to the effects of the 1982 high altitude standards is available, hopefully this provision will suffice in preventing the model availability and related problems which occurred in 1977. If, however, it becomes apparent during model year 1982 that the problems of the past are resurfacing, we may be compelled to pursue another course of action in regard to this provision.

Again, NADA sincerely appreciates your efforts in helping to pass legislation so critical to our industry's needs. We look forward to working with you in this endeavor and if there is any further information we can provide at this time, please feel free to contact us.

Sincerely,

H. THOMAS GREENE,
Executive Director of Legislative Affairs.

PACCAR, Inc.,
Bellevue, Wash.

Hon. BOB TRAXLER,
House of Representatives,
Washington, D.C.

DEAR MR. TRAXLER: On behalf of Paccar Inc. we thank you for proposing H.R. 4400, The Mobile Source Clean Air Act Amendments.

We intend to urge passage of this legislation by the House Energy and Commerce Committee and by the Congress and will be contacting our legislators in that regard.

Sincerely yours,

ROBERT W. DICKEY,
Vice President
and General Counsel.

VOLKSWAGEN OF AMERICA, INC.,
Warren, Mich.

Hon. BOB TRAXLER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN TRAXLER: Thank you for your letter regarding H.R. 4400. We commend you for your leadership in sponsoring this important legislation.

Volkswagen of America (VWoA) is totally committed to supporting this vital measure. We urge you to encourage your colleagues to take action on the bill this year. We must know as soon as possible if the more reason-

able and justified standards of 7.0 grams per mile CO and 2.0 grams per mile NOx will be in effect for 1983 model year inasmuch as our certification process for that model year will begin very early in 1982.

Prompt passage of the "Study and Development of Alternative Emissions Control" provisions of H.R. 4400 (new Section 218 of the Clean Air Act) is of utmost importance to VWoA since the language you have proposed will necessitate a second round of Congressional action once EPA completes its one-year study and reports to the Congress. We want to see a revised, more realistic emissions compliance program implemented as soon as possible, not several years from now.

Our Washington office, headed by Mr. Philip A. Hutchinson, Jr., Vice President of Industry-Government Relations, has been directed by me to make every effort in campaigning for urgent action on this bill. Our Vice President for Engineering, Mr. Duane F. Miller, is fully prepared to testify in House Committee and Subcommittee hearings in support of the technical aspects of H.R. 4400.

H.R. 4400 is the cornerstone of important and much needed revisions to the Clean Air Act. Enactment of the bill will assure more efficient use of the auto industry's scarce resources while continuing our progress toward improved air quality. We hope the Congress will consider the bill without delay.

Sincerely,

JAMES W. McLERNON,
Office of the President.

AZIRIAN FAMILY REUNION

HON. GEORGE E. DANIELSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. DANIELSON. Mr. Speaker, it was 65 years ago, in 1915-16, that the Armenian people in their ancestral homeland suffered a series of massacres and deportations at the hands of the Ottoman Turkish Empire which nearly annihilated them as a national entity. Those who managed to survive, fled in terror seeking shelter in any country which would provide them with asylum and some degree of stability. Parents were often wrenched apart from their children; brothers and sisters frequently settled in different lands unaware of the fate of their relatives. Many times circumstances made it impossible for those families to reunite.

One of these families, the Azirian family of Sis, Western Armenia, at present occupied by Turkey, is planning a reunion in southern California during the month of August. They have planned a series of events to bring together the descendants of the original family, who were scattered due to the massacres and deportations of 1915-16. This will enable relatives who have never seen each other to become acquainted and those who parted as small children can once again share a portion of each other's lives.

The Azirian family, in its quest for survival, was scattered to every continent in the world. Seven years ago, Hagop and Marilyn Arshagouni of southern California began to research the family history and to compile information to prepare a family tree. After extensive and dedicated hard work, their family tree has developed into a 12-foot document that stretches back 10 generations, to the year 1700, an astonishing accomplishment considering that most Armenian records were destroyed in the genocide of 1915.

Two years ago, encouraged by the enthusiasm that was engendered by the process of preparing the family tree, the Arshagounis and a number of cousins formed the Azirian Family Reunion Committee to organize the reunion, which will be highlighted by a gala banquet in the month of August.

It is with great pride that I bring this historic event to the attention of my colleagues. This outstanding effort on behalf of the Arshagouni and Azirian family members to reunite typifies the will of the Armenian people to survive as a nation. ●

THE AGING WORLD WAR II VETERAN

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. BIAGGI. Mr. Speaker, as an original member of the House Select Committee on Aging and chairman of its Subcommittee on Human Services, I have a profound interest in the aging World War II veteran. The average age of the World War II veteran today is 60 years old. The Veterans' Administration, as the agency which serves all veterans, will soon be faced with a substantially large senior citizen population and will have to deal with such pressing matters as how institutions can afford to accommodate such a large group.

There are over 2,000 World War II veterans who are 65 years of age or older and over 10,000 World War II veterans will be 65 years of age. In 10 years, about 7,000 World War II veterans will be 65 years of age or older and in about 20 years, practically all World War II veterans will be 65 years of age or older. Seen by these statistics, the Veterans' Administration will be forced to look at the question of how to physically and financially provide benefits guaranteed to veterans by title 38 of the United States Code. Those benefits crucial to the livelihood of the elderly are pensions for income maintenance of veterans and survivors; hospital, medical, dental, and outpatient care; nursing home

care; domiciliary care; and burial benefits.

Institutional strains, specifically on hospitals and nursing homes, will be prominent as more and more World War II veterans reach 65 years old. All veterans over age 65 are eligible for free hospital and nursing home care from the Veterans' Administration, regardless of their ability to pay. Certain general admission priorities do exist, but eligibility is based on discharge or release from the active military service under conditions other than dishonorable. The Veterans' Administration current hospital capacity is about 85,000 beds. Statistics show that by the year 2000 there will be a need for 120,000 hospital beds as a result of aging World War II veterans. As for nursing home care, 20 years from now the demand for VA-supported nursing home beds will triple from 20,000 to nearly 60,000.

Not only will there be a physical strain on hospitals and nursing homes due to the lack of space available, but more importantly there will be a tremendous financial strain. The Veterans' Administration contributes much less in its participatory programs for the use of other medical care facilities than it does for its own facilities. A comparison between VA medical care operating costs and other medical care operating costs, as of fiscal year 1979, leads us to the conclusion that VA medical care costs are a great deal more expensive than other medical care costs. The VA hospitals operating costs are \$3,410,449,000; while, the contract hospitals are \$64,812,000 and the State home hospitals are \$5,098,000. Therefore, operating costs for VA hospitals are \$3,345,637,000 more expensive than operating costs for contract hospitals and \$3,405,351,000 more expensive than operating costs for State home hospitals.

This same conclusion also holds true for VA nursing homes. The VA nursing homes operating costs are \$185,965,000; while, the community nursing homes are \$98,692,000 and the State nursing homes are \$19,787,000. Therefore, operating costs for VA nursing homes are \$87,273,000 more expensive than operating costs for community nursing homes and \$166,178,000 more expensive than operating costs for State nursing homes. Finally, the Veterans' Administration, as of fiscal year 1980, pays only about \$11.10 per day for each veteran in a State-operated nursing home and \$36.97 to community homes. Its own nursing home care cost is \$72.33 per day. It must be understood that this high cost of VA facilities reflects the total cost of care, not just a payment into a participatory program with a community or State facility. This total cost includes VA nursing homes high

salaries and sophisticated medical care.

One possible solution to how the Veterans' Administration will be able to provide for veterans based on such phenomenal costs is to increase eligibility requirements of veterans. This would have the adverse effect of limiting the number of veterans who would be able to receive benefits. Another possible solution is to merge veterans services with other benefit programs, which would force veterans to give up some of their independence and compromise on some of their benefits. A possible compromise would be the use of community and State facilities instead of VA facilities, since the Veterans' Administration pays less for the use of these other facilities.

The future welfare of veterans has always been of great concern to those in the House and in the Senate. H.R. 1100—which I supported—has been passed by both the House and the Senate as of July 30, 1981. H.R. 1100 expands the eligibility of former prisoners of war for certain benefits and health-care services provided by the Veterans' Administration. This legislation is important in that it assures former POW's of compensation and health-care benefits for certain disabilities which were attributed to their internment. In a study by the Veterans' Administration, it was shown that mental disorders are one of the most common disabilities affecting former prisoners of war. It is often many years after incarceration that these disorders become visible. H.R. 1100 recognizes the need for certain disabilities to be considered service-connected so that help can be administered to those veterans who were prisoners of war. H.R. 1100 will have a direct influence upon aging World War II veterans, who will be able to obtain the proper care for the residual effects of their period of captivity.

The Veterans' Administration in October 1977 provided the Congress with a report on the short- and long-range plans of the Administrator. This report was in response to Public Law 94-581, section 117(a), and directed the Chief Medical Director, through the Administrator of Veterans' Affairs, to submit a report on VA programs and plans for meeting the problems generated by the increasing numbers of aging veterans. It is this report which must be analyzed when making decisions on the future of the future of the World War II veteran. I hope I have brought to the attention of my colleagues an awareness of the crucial questions we must deal with in the very near future.●

REMEMBERING JOHN BARRY

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. O'NEILL. Mr. Speaker, I rise to give support to Senate Joint Resolution 87 commemorating the birthday of Commodore John Barry, designating September 13 as "Commodore John Barry Day." In an age where we are seeking out new heroes, Commodore Barry stands out as an example of heroic achievement. The first man commissioned by the United States Navy, he showed great valor in the Revolutionary War, and later in the war with France. George Washington, when issuing Commodore Barry's commission, commented on his "patriotism, valor, fidelity, and abilities. . . ."

But to Irish-Americans, John Barry holds a special significance, because he was born in County Wexford, Ireland. Fighting the poverty of his youth in Ireland, he beat the odds to become one of the founding fathers of the American Navy. It is important that we continue to remember Commodore Barry's achievements both as an American and as an Irishman. While Ireland is struggling to find a just solution to its present troubles, the memory of John Barry can serve as an inspiration of what men can do in the most difficult of times. The commodore also reminds all Americans of the positive contribution the Irish have made throughout American history. Finally, John Barry is a symbol of the patriotism and strength on which this country was founded.●

SMALL BUSINESS TAX RELIEF— THE MESSAGE IS STARTING TO GET THROUGH

HON. DAN MARRIOTT

OF UTAH

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. MARRIOTT. Mr. Speaker, I believe it would be appropriate to inform this House, as well as many interested small enterprises in Utah, about the development of the 1981 tax bill and, particularly, its small business provisions.

PRESIDENT'S PACKAGE IS HISTORIC

President Reagan has given us historic tax legislation. The size and scope of the individual tax reductions and depreciation reforms in the Economic Recovery Tax Act of 1981 are unprecedented. The business portion of the program gives America a real hope and solid opportunity for revitalizing our heavy industry.

I fully supported both the business and personal aspects of the President's plan.

EXCELLENT PROVISIONS ADDED BY THE
CONGRESS

There were also some highly desirable provisions of the final legislation that originated in the Congress. In my opinion, the indexing of personal taxes proposed by Mr. DOLE and Mr. ARMSTRONG in the Senate, and Mr. ARCHER and Mr. GRADISON in the House, will be a key part of our tax policy by assuring that the effects of the 25-percent across-the-board tax cuts over the next 3 years are not wiped out by inflation.

The Senators from Wyoming and Virginia, Mr. WALLOP and Mr. BYRD, also were instrumental in developing the fine estate tax reforms that were accepted into the final bill. The gradual increase of the Federal estate tax exclusion from \$175,000 to \$600,000, the corresponding reduction of maximum rates from 70 percent to 50 percent, and the free transfer of all property to a surviving spouse under Federal law will be highly valuable in preserving the continuity of family farms, ranches, and small businesses.

HOUSE SEEKS HELP FOR SMALL BUSINESS

A number of us in the House raised our voices in behalf of giving specific recognition and support to the crucial small business element of our producing economy.

Small business accounts for the vast majority of all net new jobs in the private sector. Treasury Secretary Donald Regan puts the figure at 85 percent. The National Small Business Association's estimate is closer to 95 percent. From 1969 to 1976, 9 million new jobs were created, but NSB points out that employment among the Nation's 1,000 largest corporations accounted for only about 45,000 (5 percent) of the net new jobs. Three million of those jobs were in State government; the remainder, or nearly 6 million, were in small businesses, according to the Small Business Administration.

From SBA statistics, we know that small business provides 55 percent of all nonfarm employment—59 percent if farming is included—50 percent of all new technical innovations, 48 percent of domestic output and 43 percent of the gross national product.

In addition, small business owners and their families play an active role in the stability of their towns and cities through the continuity of their businesses and by working in their churches, charities, and other volunteer activities.

UTAH IS A SMALL BUSINESS STATE

I grew up in such a small business community in my own State of Utah and have witnessed these things, as I am sure many of my colleagues have.

It is no accident that Utah is the "Beehive State." Our commerce was

built by hardworking small and family enterprises; there are few large corporations to this day. The industry of these firms reflects the State's pioneer heritage. Our citizenry is proud of this tradition and supports local, State, and regional business.

A recent development in our business community is the increasing interest and activity in government matters through a variety of small business organizations, such as the Salt Lake Area Chamber of Commerce, on a metropolitan level; the Utah Council of Small Business, statewide; the Mountain States Association; a regional group made up of small and independent business organizations in eight Rocky Mountain States stretching from Canada to Mexico; and the National Small Business Association, National Federation of Independent Business, and Small Business Unity Council, which are national in scope.

It has been my pleasure to work closely with all of these organizations in constructing the small business elements of the 1981 tax bill.

Utah is particularly fortunate to have within its borders such resources as Blair Walkington, director of economic development of the Salt Lake Area Chamber and David Tomlinson, who is not only a strong president of the Utah Small Business Council, but also national president of the Small Business Unity Council.

The Utah State Council, with a membership approaching 7,000, must be one of the fastest growing small business groups in the country. It has been very active in supporting the free enterprise thrust of President Reagan's program and advocating specific amendments to assist specified elements of the small business community, such as modest corporate rate reductions to help the less capital-intensive companies, expensing, estate tax reductions, and other capital formation measures.

There is also a natural tie-in of this program with the recommendations of the Small Business Unity Council, which is composed of representatives from every State delegation to the White House Conference on Small Business of January 1980.

Mr. Tomlinson tells me that 25,000 small business owners and operators across the country participated in 57 preliminary regional and State conferences. They balloted to select 2,000 delegates who hammered out the final recommendations at the 4-day meeting in Washington, D.C.

These recommendations extended across the spectrum of small business problems, including taxes, capital formation, regulatory reform, access to justice and international trade. However, 5 out of the top 10 had to do with taxes and capital formation. The No. 1 recommendation by a wide margin was corporate and individual

rate reductions and No. 2 was depreciation reform, including direct first year expensing. No. 4 was estate tax reform. These groups also brought to attention that small firms in Utah, and nationally, are seriously threatened by the combination of long-term inflation, high interest rates, and a bias against small business of current tax laws.

The broad based support and advocacy of these issues by Utah groups has been a definite factor in my own interest in these matters, and my resolve to do something about them if the occasion arose.

The 1981 tax proposal—the largest tax reduction bill in U.S. history—provided such an opportunity.

SMALL BUSINESS COMMITTEE HEARINGS GATHER
INFORMATION

In order to assemble the facts and figures necessary for legislative recommendations the Subcommittee on Tax, Access to Equity Capital and Business Opportunities of the House Small Business Committee, of which I am ranking minority member, began to hold a series of hearings on the impact of President's tax proposals on small business.

During this hearing, I was particularly impressed with the testimony of the National Small Business Association; a general membership organization with about 50,000 members nationwide.

The NSB presented a carefully worked-out series of recommendations aimed at balanced assistance to all business, but especially to the various elements of the small business community.

Their 16 suggestions included: corporate rate reductions up to \$200,000, direct expensing of the first \$25,000 of equipment purchases, increase in the investment credit for used machinery to at least \$250,000, increasing the estate tax exclusion of \$600,000, expanding the rehabilitation credit for existing buildings, savings incentives targeted to help construction and other local businesses, restoration of stock options, reform of inventory accounting rules, and broadening of the jobs tax credit.

A feature of the NSB program that I especially liked was fiscal responsibility—it proposed revenue savings that matched its tax reduction proposals. These savings provisions were accepted by the House, the Senate, and the administration, saving the Treasury about \$57 billion over 5 years, and making room for many other tax reductions to be enacted.

The NSB also brought into the process the Small Business Legislative Council—a consortium of some 75 trade associations representing over 4 million small businesses that combine to act on legislative matters. While the bill was being drawn up, the SBLC

presented two informational briefings to House Members and staff on a bipartisan basis. At their breakfast meetings tax experts used charts and statistical materials to explain the impact of various proposals on the small business community. My office found these sessions to be very useful.

Equally impressive has been the contribution of the National Federation of Independent Business, an organization made up of over half a million small and independent business owners. Testifying at these same House Small Business Committee hearings, the NFIB outlined a program of tax relief for the small business sector of our economy.

Their program included five major priorities and seven proposals which they suggested be adopted as soon as possible after the accomplishment of the five. The priorities were: Reducing payroll taxes, depreciation reform, inventory accounting reform, further graduation of corporate income taxes, and estate tax reform.

The seven additional proposals included raising the ceiling on the accumulated earnings penalty, eliminating the ceiling on the investment tax credit for used property, reform of subchapter S corporation rules, savings incentives, capital gains rollover, reducing the maximum individual tax rate from 70 percent to 50 percent, and clarification of the status of independent contractors.

I have been impressed, by testimony before our subcommittee, that the NSB, the NFIB, and other small business advocacy groups agree, to a large extent, on the steps necessary to provide meaningful tax relief for America's small businesses. Experience has clearly demonstrated that, when these groups work together, a great deal can be accomplished on behalf of this most important sector of our economy.

M'DADE-MARRIOTT BILL INTRODUCED

Armed with the best expertise we could obtain from witnesses, associations, and others, the ranking Republican member of the Small Business Committee, Mr. McDADE, of Pennsylvania, and I put together a small business tax bill containing the initiatives that we considered to be most important and most achievable in behalf of small business, commercial, and agricultural firms.

On April 9, 1981, I introduced H.R. 3202 with 16 cosponsors—it now has 37 cosponsors. It was an 11-section proposal with the following provisions: A definition of small business limited to \$20 million in revenues and 500 employees; a further graduation of the corporate tax rates below \$200,000; direct expensing of \$25,000 of equipment purchases annually; an increase in the number of permissible subchapter S shareholders to 25; a \$20,000 credit for investment in small businesses; an increase in the capital gain

exclusion from 60 percent to 80 percent; reduction of the capital gain rate for corporations from 28 percent to 20 percent; an estate tax exclusion of \$2 million on business property; a tenfold increase in the interest and dividend exclusion in order to stimulate savings and investment; reform of inventory accounting procedures; increase in the ceiling on the investment tax credit for used machinery from \$100,000 to \$300,000.

URGING OTHERS TO ACCEPT THE BILL

I then appeared as a witness before the Ways and Means Committee to explain the provisions and argue that they should be a vital element of any tax bill.

It was my contention that a bill that focused upon the supply side of our economy must include equitable assistance to the small business community, which constitutes such a significant part of that supply side.

In addition, on July 24, I and 12 more of my Republican colleagues (McDADE, SNOWE, LYLE WILLIAMS, DAN CRANE, JIM HANSEN, CRAIG, ERDAHL, ROTH, DAUB, CHRIS SMITH, VIN WEBER, and ALBERT LEE SMITH), wrote to the President to point out the advantages of such a package as part of the tax bill and as a benefit to our economy. In addition to a number of the proposals in H.R. 3202, we added a suggestion that we raise the ceiling on the accumulated earnings penalty.

The five suggestions we made in that letter were included, in some form, in the final version of Conable-Hance.

Then, on the eve of the key July 29 vote in the House of Representatives, I circulated a letter to all House Members urging them to vote for the Conable-Hance bill, which by then had been expanded to include these small business concepts and indexing.

MANY IDEAS FROM H.R. 3202 ACCEPTED IN FINAL LEGISLATION

Now that the bill has been signed, I can report that, of the 11 proposals in our April bill, 8 were accepted to some extent in the public law signed by the President on August 13.

These included increased corporate rate graduation to \$50,000; inauguration of direct expensing at a level of \$5,000 in 1982 rising to \$10,000 in 1986; subchapter S shareholder limit raised to 25; reduction of capital gains rates; increase in estate tax exclusions—phased up to \$600,000; savings incentives; inventory reforms.

Although we advocated higher levels for many of these benefits, I believe we are entitled to record these results as an excellent beginning. As the economy turns strongly upward, I believe we should further broaden these small business provisions.

HELPING SMALL BUSINESS WILL BOOST ENTIRE ECONOMY

It is my opinion that the eight provisions we enacted will provide support for the important small enterprise seg-

ment of our economy. It should encourage investment and retention of funds in small business to offset some of the tax biases now affecting small business. By addressing these problems it will be possible to harness the true potential of the small business community for creating jobs, innovations, and enterprises that will ultimately provide a significant share of the real foundation for economic growth and opportunity in Utah and throughout the Nation.●

LESSON OF THE HOLOCAUST

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. KEMP. Mr. Speaker, April ushered in the first annual Days of Remembrance Commemoration sponsored by the U.S. Holocaust Memorial Council under the chairmanship of Elie Weisel. Mr. Weisel is also active in trying to secure the release of dissidents from the Soviet Union, but at this April reflection, attended by President Reagan, he addressed his remarks to the importance of keeping alive the lesson learned in the holocaust.

REMEMBERING THE HOLOCAUST

Mr. President, about sadness later. First some words of gratitude. We thank you, Mr. President, for joining us and for participating in this solemn assembly of remembrance. Your presence here today—so soon after the senseless attack upon your person—is a tribute to your understanding and concern for human values—and is especially meaningful to us. We all know that your being here is not a ceremonial gesture, but an expression of your sense of history and your dream of a future with hope and dignity for the American Nation and for all mankind. So we thank you, Mr. President, and we thank our father in heaven for having spared you.

And now I would like to share with you some lines written by a young Jewish boy named Mottele.

Mottele wrote this poem in Thereststadt and it reflects more than his own mood—more than his own fate:

From tomorrow on I shall be sad,
From tomorrow on.

Not today.

What is the use of sadness—tell me?

Because these evil winds begin to blow?

Why should I grieve for tomorrow—today?

Tomorrow may be good,

Tomorrow the Sun may shine for us again;

We shall no longer need to be sad.

From tomorrow on I shall be sad—

From tomorrow on.

Not today, no! Today I will be glad.

And every day, no matter how bitter it may be.

I will say:

From tomorrow on I shall be sad—

Not today.

How does one commemorate a million Mottels and Shloimeles and Leahles and Soreles?

How does one commemorate six million victims, all descendants of Abraham and Isaac and Jacob?

What words does one use, what metaphors does one invoke to describe the brutal and unprecedented extinction of a world?

Thousands and thousands of flourishing communities survived the fury of the crusades, the hatred of pogroms, the afflictions of wars, and the misery, the shame, the despair of religious and social oppressions, only to be swept away by the holocaust.

In all their chronicles and testaments, memoirs and prayers, litanies and poems, the victims stressed one single theme over and over again:

Remember, remember and bear witness . . . and that is their legacy to us, the living.

There may be some who will ask: Why remember at all? Why not allow the dead to bury the dead? Is it not in man's nature to push aside memories that hurt and disturb? The more cruel the wound, the greater the effort to cover it; the more horrifying the nightmare, the more powerful the desire to exorcise it. Why then would anyone choose to cling to unbearable recollections of emaciated corpses, of violations of every human law?

Clearly, we have not yet learned to cope with the event—intellectually, socially, philosophically, theologically. Perhaps we never will. The more we know, the less we understand. All we can do is remember. But—how does one remember? How does one remember and communicate an event filled with so much darkness and mystery that it negates language and imagination? Auschwitz transcends history, marks it with a burning seal: Our century, Mr. President, may well be remembered not only for the monuments it erected or for the astonishing technological advances it made, but most of all for Treblinka and Majdanek, Belsen and Ponar, Auschwitz and Buchenwald.

How is one to explain what happened? it could have been stopped—or, at least slowed down—at various stages. It was not. Why not? I am a teacher, Mr. President, and my students—young, fervent, compassionate Americans—often express their puzzlement in my classroom: Why the complacency? Why the tacit acquiescence? Why weren't the Hungarian Jews, for example, warned about their fate? When they arrived in Auschwitz—at midnight—they mistook it for a peaceful village . . . Why weren't the railways to Birkenau bombed by either the allies or the Russians?

The calculated viciousness of the executioner, the helplessness of the doomed, the passivity of the bystanders: All these lie beyond our comprehension. The killers' fascination with death, the victims' with hope, the survivors' with memory: A new vocabulary needs to be invented to describe the event.

Can you imagine the silence preceding a selection? The fear of a man who suddenly understands that he is the last of his family, the last of a line?

Imagine—no, no one can imagine that kingdom. Only those who were there know what it meant to be there . . . There was a kingdom that will forever remain forbidden and forbidding. And yet, and yet: We must tell the tale—we must bear witness. Not to do so would mean to render meaningless the years—the lives—that we, those of us who survived, received as a gift, as an offering—to be shared and redeemed.

We are determined to tell the tale. Not to divide people but, on the contrary, to bring them together; not to inflict more suffering

but, on the contrary, to diminish it; not to humiliate anyone but, on the contrary, to teach others to humiliate no one. This is why we bear witness, Mr. President. Not for the sake of the dead: It is too late for the dead. Not even for our own sake: It may be too late for us as well. We speak for the sake of mankind: The universality of the Jewish tragedy lies in its uniqueness. Only the memory of what was done to the Jewish people—and through it to others—can save the world from indifference to the ultimate dangers that threaten its very existence.

That the survivors have not lost their sanity, their faith in God or in man, that they decided to build on ruins and chose generosity instead of anger, hope instead of despair, is a mystery even to us they had every reason to give up on life and its promise. They did not. Still—at times, Mr. President, they are overcome by doubt. And fear. The world has not learned its lesson. Antisemitic groups spring up and some shamelessly deny that the holocaust ever occurred. Fascist groups increase their membership. Intolerance. Bigotry. Fanaticism. Mass executions in some places, mass starvation in others. Religious wars, medieval upheavals. And then of course, the ultimate nightmare: The nuclear menace.

Though Jewish—profoundly Jewish in nature—the holocaust has universal implications: the memory of what was done to one people may shield other peoples.

Naturally, other nations were persecuted and even decimated by the nazis and their allies, and their collaborators—and we honor their memory—but the Jewish people represented a different target: for the first time in history, being became a crime: Jews were destined for annihilation not because of what they said or proclaimed, or did, or possessed, or created, but because of who they were . . .

Is that why we, Jews, are so concerned with memory?

Is that why we are so attached to a land where many survivors have found pride and refuge? Please understand us, Mr. President, we believe that the holocaust must remain above politics. If we plead for Israel's right not only to be secure but also to feel secure, it is because of Israel's nightmares—which are also our nightmares—Israel is today threatened by a holy war—which means: "Total war and annihilation." Words? Yes. Words, but we are a generation traumatized by experience, Mr. President: We take wars seriously. The very idea of another Jewish catastrophe—anywhere—in our lifetime, is quite simply unbearable to us.

Before planning the final solution, Hitler asked: "Who remembers the Armenians?" He was right: No one remembered them as no one remembered the Jews.

In those times, European Jewry felt abandoned. And, indeed, it was abandoned. Other oppressed nations received help; not the Jews. On April 16, 1943, Mordechai Anielewicz—the young Commander of the Warsaw ghetto uprising, wrote to a friend: "We are fighting . . . we shall not surrender . . . but, as our last days are approaching, remember that we have been betrayed . . ."

That is what he felt—that is what we all felt. They were betrayed then. To forget them now, would mean to betray them again. We must not allow this to happen.

In the Jewish tradition when a person dies we appoint him or her as our emissary in heaven to intercede in our behalf. Is it possible that they were our messengers?

But then whose messengers are we?

It is with a rare sense of personal honor and pride that I present to you the President of the United States.●

PRESIDENT REAGAN IS WRONG ON COURT NOMINEE O'CONNOR

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. McDONALD. Mr. Speaker, an exchange of letters between President Reagan and Mrs. Marie Craven of Illinois was made public recently. The President is supposed to have personally composed his reply to Mrs. Marie Craven. It is sad to record that the President did not have his facts straight and that the tone of the letter was not very Presidential. In the interest of setting the record straight I am today inserting both letters in the CONGRESSIONAL RECORD, together with some comments and the facts as I understand them.

First of all, the person referred to in the second paragraph of the President's letter is Dr. Carolyn Gertser, a widely respected and admired member of the right-to-life movement, who is considered a moderate in her views. So, one can only wonder who characterizes her in the manner described by the President.

Second, the President's letter leaves a great deal unsaid. He discusses only one vote. On this one vote he is in error. The bill in question passed both bodies of the Arizona Legislature, was signed into law by the Governor and survived a challenge in the Arizona Supreme Court.

Third, the record shows that Mrs. O'Connor voted in 1970 for legislation that would legalize abortion on demand 3 years before the Supreme Court decided the issue. In 1973, she supported and cosponsored a family-planning bill that would allow abortions for minors without parental consent. In 1974 she voted against a bill that would memorialize the Congress to constitutionally protect the unborn.

So, as the noted Washington columnist John Lofton has said:

The President's letter has left the air even more polluted and raises more questions than it answers.

The exchange of letters follows:

JULY 7, 1981.

DEAR PRESIDENT REAGAN, a number of pro-life people are planning on picketing you at your departure point tonight to protest your confirmed appointment of Judge O'Connor from Arizona for the office of Supreme Court Justice.

Instead of participating in this protest, I have decided to write this letter.

I have been an active pro-lifer since April of 1973. I have served and am serving on Boards of Directors of local pro-life groups, have served as Chairman of Ill. Citizens Concerned for Life and have contributed

too many valuable hours away from family and small children to let what you have done today go unnoticed.

I have both anger, resentment and frustration pent up in me at this moment because I sincerely feel you have betrayed me and millions of Americans including over 8 million pre-born babies that will continue to be aborted every 30 seconds simply because they are a simple inconvenience to so many of our country's women.

I am a Chicago resident of Irish Catholic heritage and up until my involvement in pro-life a committed democrat. I worked for your election, along with countless others, distributing your campaign literature, making phone calls organizing blitzes, etc. etc. I don't want credit for any of this, I just want you to know that at this precise moment, I know that the power of the office has taken precedence over your party platform and campaign promises. I feel I am a grassroots citizen—and I am sickened by witnessing once again the broken promises of the politician.

When you were shot, I prayed for your swift recovery. I continue to pray for you daily that your judgements will be wise ones. Today I am having difficulty believing that you meant the words of a letter you sent to the National Right to Life Convention on June 18, 1981 . . . "I share your hope that someday soon our laws will reaffirm this principle. (that abortion is the taking of human life). We've worked together for a long time now, and like you, I am hopeful that we will soon see a solution to this difficult problem."

By this appointment, you have betrayed the pro-life position. Judge Sandra O'Connor has supported pro-abortion legislation when she was an Arizona legislator. How then can this appointment bring us closer to our goal of protecting the pro-born children of America?

I only hope that the U.S. Senate rejects your appointment. Maybe this is your ultimate goal—your appointment of a woman to satisfy the pro-choice feminists—followed by rejection of her appointment by the Senate and an alternate candidate appointed to satisfy all factions.

I hope for the sake of our nations most vital resource, our children, I am right.

Sincerely,

MRS. MARIE CRAVEN.

THE WHITE HOUSE,
Washington, August 3, 1981.

MRS. MARIE CRAVEN,
Chicago, Ill.

DEAR MRS. CRAVEN: I'm sorry to be so long in responding to your letter, but I've found in all the channels of government, it often takes a while for letters such as yours to get through the mail department and over to my desk. So forgive me for that. I thank you for writing and appreciate the opportunity to comment with regard to my Supreme Court appointment and my position on abortion.

I believe that most of the talk about my appointment was stirred up principally by one person in Arizona. I have done a great deal of checking on this and have found this person has something of a record of being vindictive. I have not changed my position; I do not think I have broken my pledge. Mrs. O'Connor has assured me of her personal abhorrence for abortion. She has explained, as her attacker did not explain, the so-called vote against preventing university hospitals in Arizona from performing abortions.

What actually happened occurred back when she was a senator in the state govern-

ment. A bill had been passed by the Senate and sent over to the House calling for some rebuilding of the football stadium at the university. The House added an amendment which would have prevented the university hospitals from performing abortions. But the constitution of Arizona makes it plain that any amendment must deal with the subject in the original bill or it is illegal. For this reason the Senate, including Mrs. O'Connor, turned that down.

Much is being made now of her not coming out with flat declarations regarding what she might do in the future. But let me point out it is impossible for her to do this because such statements could then be used to disqualify her in future cases coming before the Supreme Court. She is simply observing a legal protocol that is imposed on anyone who is in the process of a judicial appointment. I have every confidence in her and now want you to know my own position.

I still believe that an unborn child is a human being and that the only way that unborn child's life can be taken is in the context of our long tradition of self-defense, meaning that, yes, an expectant mother can protect her own life against even her own unborn child, but we cannot have abortion on demand or whim or because we think the child is going to be less than perfect.

I thank you for your prayers in my behalf and for your support. I hope that I have cleared the air on this subject now because I would like to feel that I did have your continued approval.

Thanks again.

Sincerely,

RONALD REAGAN.●

SUPPORT FOR THE ARTS MUST CONTINUE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. BIAGGI. Mr. Speaker, despite the current national sentiment for reduced Government spending, there remains one area of Federal expenditures that continues to receive strong, bipartisan support from all sectors of our society—the arts.

As an original cosponsor last year of legislation to extend the National Endowments for the Arts and Humanities and the Institute of Museum Service, I remain actively involved in efforts to preserve these vital agencies. Last month, with my strong support, the House passed the 1982 appropriations bill for these agencies which included \$157.5 million for the Arts Endowment, \$144 for the Humanities Endowment and \$14.4 million for the Museum Institute. Clearly, there remains a need for continued funding for these agencies which have provided museums, arts agencies, and institutions the ability to bring culture and enlightened learning to millions of Americans.

For the benefit of my colleagues, I would like to include in the RECORD a copy of an article written by Martin E. Segal, chairman of Lincoln Center for the Performing Arts in my own city of

New York, for a recent edition of Newsweek. His comments on the importance of continued support for creativity and scholarship are compelling. Particularly important are his observations on the impact of reduced taxes upon charitable contributions to the arts. I am confident that Congress will continue to provide support for American art and scholarship, echoing Mr. Segal's view that this support is vital to the well-being of our Nation.

[From Newsweek magazine, August 1981]

DON'T CUT THE ARTS

(By Martin E. Segal)

Most Americans favor the stated purposes of the President's domestic program—lower taxes, a balanced Federal budget, reduced inflation, a stronger economy with fuller employment and more savings—all of which will, it is hoped, result in a generally better life for all.

The Administration is entitled to the fullest opportunity to demonstrate that its recommended legislation and appropriations will indeed achieve these goals. However, the proposal for cutting appropriations for the arts and humanities via the National Endowments (NEH and NEH) may not meet the Administration's intentions:

Lower taxes for individuals and estates indirectly hurt the arts and humanities, as well as other nonprofit organizations, and will be a disincentive to individuals to increase contributions. Ticket income from concerts, ballet, opera and other nonprofit arts covers, on the average, 65 percent of the cost. Admission contributions at museums cover close to 40 percent of the cost. To enable ticket prices to remain at reasonable levels, the difference is made up by voluntary contributions from individuals, corporations and foundations; from government appropriations—Federal, state and city—and from endowment income and bequests.

Most of the money contributed to arts and humanities organizations comes from individuals; the cost of a \$1,000 contribution to a person in a 50 percent tax bracket is only \$500 net, and the cost of that same contribution to a person in a 70 percent tax bracket is \$300 net. When tax rates are reduced, there will be little incentive to pass on some of the savings to nonprofit arts and other organizations.

At present, an estate may be taxable if it amounts to more than \$175,000. Charitable contributions are deductible from the taxable estate. If the first \$600,000 of an estate is exempt from taxes, any charitable/arts contribution from estates less than \$600,000—and 99 percent of estates are in this category—would give the individuals no estate-tax advantage.

Business cannot make up what the Federal government cuts. It is true that many businesses do not now contribute anything to the arts and should be encouraged to do so. What isn't generally known is that contributions from business have grown most impressively during the past decade. This is due not only to the recognition of the useful role of the arts in our society, but also because inflation has hit the arts particularly hard and government support has not been nearly enough. Business has often taken the lead from government, matching government grants in the arts and humanities either on a one-to-one basis or, in the case of the successful Challenge Grant program, on a three-to-one basis. But business

support is and should be voluntary. After all, business already pays taxes to help support government activities.

The healthy state of the arts in this country is due largely to a partnership of business, individuals and government. It isn't wise for one partner—government—to declare unilaterally to the others, "You should do more, so as to relieve me—even though I know that will not really help me achieve the other things I want to do."

The proposed cuts will have a meaningless effect on the balancing of the budget. The gross Federal budget in 1981 is \$661 billion. The appropriation for the NEA is \$157.6 million, or 24/1,000 of 1 per cent of the total budget. The appropriation for the NEH is \$154 million, or 23/1,000 of 1 per cent. Thus, the combined budgets for NEA and NEH are 47/1,000 of 1 per cent. So, cuts here are not significant. Say some, if everybody is being cut, so should the arts and humanities. But everybody isn't being cut. The Administration is even proposing increases in appropriations where it believes these necessary or desirable.

Cuts for the arts and humanities will increase unemployment and will adversely affect the economy of many important sections of the nation. Reductions in Federal support will be of grave concern to millions of Americans for whom music, theater, dance and museums are vital ingredients of a better and happier life. The arts and humanities are labor-intensive. Cuts in government support will result in unemployment. Active and interesting cultural activities are prime attractions for tourists to many cities, and tourism is directly related to hotels, restaurants, department stores and other businesses vital to a thriving economy.

Many cities mention cultural activities in their promotional literature to encourage tourists to visit or businesses to come and settle there. Impairing or eliminating cultural activities will have an adverse effect on the entire economy.

If cuts in the appropriations for the National Endowments for the Arts and Humanities can have no real effect on the balancing of the Federal budget; if the proposed tax cuts are disincentives for contributions by individuals; if it's unreasonable to expect business to make up for government cuts; if the arts are economically beneficial, both in and of themselves and in promoting tourism and other industries—returning as they do an estimated \$7 for each dollar spent; if the American people want the arts, as demonstrated by ever-increasing attendance at theaters, museums, concerts, opera and ballet; if business and individuals have in fact been increasing their direct contributions to meet inflationary costs that have not been met by government—if all of these, what should be done? I have two direct and, I believe, constructive recommendations. First, the Federal Government should increase its appropriations for the arts and humanities. Second, when the proposed tax cuts are enacted, amendments to the tax laws should be introduced and passed that would treat charitable contributions in such a way so as not to diminish the present net results for the deductibility of such contributions.

Our Nation will be all the more healthy and vigorous, economically and otherwise, if support for the arts and humanities is increased rather than diminished.

VALEDICTORIAN SPEECH OF HUONG THI-THANH LE

HON. BILL CHAPPELL, JR.

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. CHAPPELL. Mr. Speaker, today I wish to share with my colleagues the valedictory speech delivered before the graduating class of Forrest High School on June 3, 1981, by a remarkable young lady. Huong Thi-Thanh Le came to this country as a refugee from war-torn Vietnam in 1975. She was born in Saigon, South Vietnam, and attended public and private schools there through the sixth grade. Her father was secretary to the Prime Minister of South Vietnam until becoming a senator in the Vietnamese Legislature. About a week before the fall of Saigon, her father sent Huong and her sister to France to stay with relatives. The remainder of the family escaped Vietnam by boat to the Philippines. They arrived in the United States as refugees in June 1975. Huong and her sister joined the rest of the family in Ocala, Fla.

During a time when refugees have been receiving large amounts of unfavorable publicity due to the recent influx into this country, I feel it is imperative that we recognize those who have outstanding contributions to make to our society. Huong possesses those qualities which have made America the proud melting pot it is today. Her speech exemplifies the greatness of this Nation. Unfortunately, we who are born and raised in this country, often take for granted its most precious gift of freedom. Because there are times when it takes someone who was not born in the United States to show us how fortunate we are, I ask that my colleagues read Huong's speech in hopes it will serve as a reminder of exactly how precious and priceless our freedom really is, and rededicate ourselves to insure that it remains the beacon of hope for oppressed people throughout the world. Huong's valedictory speech follows:

Almost four hundred years ago the Pilgrims left Holland to escape religious persecution. Forty years later they found their condition unbearable. They hired the Mayflower and emigrated to North America beginning what has become a way of life for the United States.

Later emigrations to this country have come from Ireland, Germany, Poland, and many other countries. Most recently you have received refugees from Cuba and from my country Vietnam. Whenever people have been oppressed, this country has stood ready to help. Americans have died all around the world to defend the freedom of others. I owe my very presence on this stage tonight to you and this wonderful nation. This United States has sacrificed so much to help keep my country free. And when we could no longer prevail against our enemies, you have accepted over one hundred thou-

sand of us to your shores, gave us freedom, gave us a new start, and gave us a new nation. For me, it was here that I found my Lord and Savior. I shall be eternally grateful to you, both for the generosity and for the new future you have given me.

What you have done is no small thing. Had we remained in Vietnam, my family and I would have almost certainly been executed for our position and for our cooperation with the United States during the War. I shall do my very best to be worthy of the love and many kindnesses you have shown to us.

The personal freedom I, and other refugees, have would in no way be possible under communism. Communism throughout the world has a history of bloodshed, terror, oppression, fear, and dictatorship. They have vowed to continue on their chosen path until they dominate the world.

My country was never at peace during any of my childhood there. As a child growing up during a war I longed for peace—peace at any price. Since then, I have learned that you cannot afford to have peace at the expense of freedom. Many of my people thought that way. Now they cannot even eat their meals without fear and it is too late to throw off their oppressors. They, and I, have learned that peace at any price is too high a price. There are some things worth dying for. The freedom you have here is one of those things.

My friends, hold fast to what you have. I have come to appreciate the United States as the greatest nation on earth. She is worthy of your fullest loyalty and greatest sacrifice, treasure her, love her, and defend her.

The price of freedom is never easy. Without vigilance and care, freedom can be easily lost. That must never happen. Patrick Henry put it better than anyone I know, "Is life so dear and peace so sweet as to be purchased at the price of chains and slavery? Forbid it Almighty God. I know not what course others may take, but as for me, give me liberty, or give me death."

I will always treasure the things you have done to give us freedom, the 300 dollars your government gave us to get started and all the things the First United Methodist Church here in Ocala has done. You helped us find a home, provided food, found us jobs, helped us learn the language, and provided an education for my brother, my sister, and me. While there are many things you worry about in your education system, the training that this country gives is still the best in the world.

Students, we always have the tendency to grow restless under the burden of continued study. We tend to take this country, the resources that we have: the libraries, the books, the teachers, and the schools themselves for granted. We ought not to do that. Our education is the key to our future. It is the foundation on which we will build our lives. We have opportunities now we never could have had before, nor could we have them in any other country in the world. I think that I speak for all of us who are graduating when I express our gratitude to our parents, the teachers, and all of you who have made the school system possible.

Friends, thank you for loving me, and for accepting me. Mom and Dad, thank you for all your sacrifices and all the things you have given so that I can have the bright future that lies before me. Thank you America for standing as a nation of freedom in a world of oppression. Thank you God for giving me the opportunity to live in a free

country which you have so richly blessed. I love you all and may God richly bless you for being the warm, kind, and generous people you are. ●

CHANGES IN THE SOCIAL SECURITY SYSTEM

HON. SAM GEJDENSON

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, August 4, 1981

● Mr. GEJDENSON. Mr. Speaker, soon after Congress reconvenes for its regular session, we in the House of Representatives will begin considering proposals for changes in the social security system.

It is both right and inevitable that Congress take steps to insure the program's solvency. We know that by the end of this decade revenues will be insufficient to cover the commitment of resources. The changes must be made, however, without sacrificing the integrity of the system or the quality of coverage provided to individuals who have paid into the system in good faith.

Last May, President Reagan presented us with a number of proposals which would constitute a major overhaul of social security. I am opposed to President Reagan's plan for two reasons. First, it would impose immediate, severe reductions in the fixed incomes of the retired and the disabled. Although I recognize social security's financial troubles, I do not feel that such drastic hardships are warranted. Second, the President fails to recommend changes of any significance which would keep the social security system viable for the long term. Instead, he merely attempts to deal with short-range deficits by curtailing critical benefits.

For example, the two groups which would be hit hardest by his plan are those who are planning early retirement in the next several years and those who have disabilities which preclude gainful employment. Workers aged 61 or younger this year who retire early—beginning in 1982—would receive only 55 percent of their regular benefits, and their dependent children would be denied any benefits whatsoever. Statistics show that very

few individuals willingly opt for early retirement. Most workers who retire before the age of 65 do so out of medical necessity. I represent a New England district in which many workers spend their lives in physically demanding jobs. For these people, early retirement is hardly a luxury. In the disability insurance program, the President would so severely restrict the eligibility requirements that many elderly, ill workers—especially older women—would be forced off the rolls.

The President's plan would also mean a significant reduction in benefits for everyone who retires after January 1982. Under current law, retirees receive social security checks averaging 41 percent of their last year's earnings. The administration would phase in a 10-percent reduction in the initial benefit level, with corresponding cuts made in the benefits of survivors and dependents.

In addition, those persons already receiving benefits would see their cost-of-living adjustment scheduled for July 1982, delayed for 3 months. While this loss may seem minor, it could impose an undue hardship on the retiree who depends on social security for primary retirement income in the face of high inflation.

Social security is plagued by two inherent flaws. The first is demographic changes which were anticipated at the time of the system's creation, yet which Congress failed to accommodate over the years. In 1950 there were 14 people who worked and paid payroll taxes to support one person drawing a social security check. By 1970, there were four taxpayers to every recipient. The ratio will be less than three-to-one by 1985.

The second is that wages determine how much gets paid into the trust funds, because the system is financed through a payroll tax, yet prices determine the funds paid out, because benefits are indexed to the Consumer Price Index. With prices rising at a much higher rate than wages, the formula becomes increasingly distorted.

President Reagan is correct in attempting to confront the system's financial problem forcefully. I feel, however, that his approach is wrong in that he does nothing to address these inherent, chronic ills which threaten social security's viability.

A national program of workers' insurance tied to payroll deductions is a basic Government service provided by nearly every industrial society. There is no reason, however, to tie revenues completely to the payroll tax. Programs such as Medicare and disability insurance could be transferred to general taxes. Medicare payments, for example, are unrelated to prior contributions, and 70 percent of the costs already are financed by general revenues.

During the coming debate Congress must also carefully review the benefits provided by social security and determine which ones truly belong in our Nation's system of workers' insurance. There can be no question that we have to review the size of commitment as we plan for the years ahead.

We cannot follow the administration's lead and simply cut payments. Workers have been contributing to social security for over 45 years, doing so in good faith and with the belief that they could depend on a certain level of benefits. The trust funds reflect investment of earned income, and the Federal Government entered into a contract with insureds.

We also cannot look to those currently in the work force and paying into the trust funds for increased revenues. Half the families in the United States pay more social security taxes than income taxes. Clearly, we cannot move the system toward solvency by further straining this regressive, inflexible, and inflationary source of income.

What Congress must do is make substantial changes which will prepare the system to meet the needs of recipients in the years ahead. Our goal should be to insure the solvency of the trust funds and to lessen the regressive tax burden. These goals can be realized only if we address the shortcomings of the system and update the program to reflect economic and demographic conditions.

Given the central role which social security holds in our Nation's social policy, the issue must be approached with the greatest possible care. I will do all I can to see that the coming changes are effective yet as fair as possible.