United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 99th CONGRESS, FIRST SESSION

HOUSE OF REPRESENTATIVES—*Wednesday, September 4, 1985*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

I will sing of Thy steadfast love, O Lord, for ever; with my mouth I will proclaim Thy faithfulness to all generations. For Thy steadfast love was established for ever, Thy faithfulness is firm as the heavens.—Psalm 89:1, 2.

We are grateful, O God, that Your love for us is from generation to generation and Your faithfulness is to the ends of the Earth. Protect us, we pray, from all adversaries and keep us always in Your gracious love. May Your mighty gifts protect, support, and heal Your people. That Your will may be done on Earth as it is in Heaven. Amen.

THE JOURNAL

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

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

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
August 12, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: I have the honor to transmit herewith a copy of the Certificate of Election received from the Honorable Myra McDaniel, Secretary of State, State of Texas, and the Honorable Mark White, Governor of Texas, indicating that the Honorable Jim Chapman was elected to the Office of Representative in Congress from the First District of Texas in the Special Election held on August 3, 1985.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

THE STATE OF TEXAS

This is to certify, that at a special election held on August 3, 1985, Jim Chapman was duly elected U.S. Representative, District 1, unexpired term

In testimony whereof, I have hereunto signed my name and caused the Seal of State to be affixed at the City of Austin, this the 8th day of August A.D., 1985.

MARK WHITE,
Governor of Texas.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
August 2, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, the Clerk received at 12:20 p.m. on Friday, August 2, 1985, the following messages from the Secretary of the Senate:

(1) That the Senate passed H.J. Res. 251; and

(2) That the Senate agreed to the Conference Report and agreed to a further amendment of the House to S. Con. Res. 32.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to rule 49, as a result of the adoption of the House and Senate of Senate Concurrent Resolution 32, as amended, the Chair announces that House Joint Resolution 372, increasing the statutory limit on the public debt, has been engrossed and is deemed to have been

NOTICE TO HOUSE MEMBERS

Beginning with the September 4, 1985 edition of the Congressional Record, and continuing through the end of the 1st session of the 99th Congress, a new rule will be implemented for the publication of the House proceedings. The new rule is being tested by the Joint Committee on Printing in response to the will of the House as expressed in the passage of H. Res. 230. That resolution, the "Accuracy in House Proceedings Resolution", recommended the elimination of the use of the "bullet" symbol that has heretofore indicated statements or insertions which were not spoken on the House floor. In place of the "bullet", such non-spoken matter will appear in a different typeface from spoken matter.

Members are urged to familiarize themselves with the Policy Guidelines that have been developed to implement the new rule. Copies of the Policy Guidelines and information regarding the intent of the change are available to Members from the Joint Committee on Printing, upon request.

By order of the Joint Committee on Printing.

FRANK ANNUNZIO, *Vice Chairman.*

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

Boldface type indicates words inserted or appended, rather than spoken, by a Member of the House on the floor.

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

passed by the House on August 1, 1985.

SWEARING IN OF THE HONORABLE JIM CHAPMAN OF TEXAS AS A MEMBER OF THE HOUSE

The SPEAKER. Will the gentleman from Texas [Mr. CHAPMAN] kindly step into the well of the House. He may be accompanied by the senior member of the Texas delegation, Mr. BROOKS, and the delegation.

It is our understanding that the distinguished Senator from Texas, Senator LLOYD BENTSEN, is here also.

Mr. CHAPMAN appeared at the bar of the House and took the oath of office.

The SPEAKER. The gentleman is now a Member of the Congress of the United States. Congratulations.

PRESENTATION OF NEW MEMBER FROM FIRST DISTRICT OF EAST TEXAS

(Mr. BROOKS asked and was given permission to address the House for 1 minute).

Mr. BROOKS. Mr. Speaker, we are all very pleased to have a new Democratic Member from the First District of Texas, and the people in deep, east Texas are honored to have a man of his stature and ability. I know that we in the Congress will enjoy his contributions to our legislative efforts.

The gentleman from Texas [Mr. CHAPMAN] is accompanied here by his wife and his daughter, and I think I speak in behalf of all of the Texas delegation when I say, and the Congress on both sides, that we welcome you here, and I want to point out the unusual welcome in that you are accompanied here today by the very distinguished and able senior Senator from Texas, LLOYD BENTSEN, who is here with you, and we are glad to have you. Congratulations.

Mr. CHAPMAN. Thank you, Mr. BROOKS.

RESPONSE BY NEW MEMBER OF FIRST CONGRESSIONAL DISTRICT OF EAST TEXAS

(Mr. CHAPMAN asked and was given permission to address the House for 1 minute.)

Mr. CHAPMAN. Mr. Speaker, Congressman BROOKS, to my colleagues now that are here gathered, to my dear friend, Senator BENTSEN, the ladies and gentlemen that are here, and particularly those who are on my right, so many good friends from east Texas, I am pleased to be here. I pledge to my colleagues, to the Members of this body and to my constituents hard work, and an honest effort to represent the First Congressional District of Texas and America in this body.

Thank you for your vote of confidence, and I look forward to being a part of this great institution. Mr. Speaker, thank you very much.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that pursuant to clause 4 of rule I, the Speaker pro tempore signed the following enrolled bills and joint resolutions on Tuesday, August 6, 1985:

H.R. 2068. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes.

H.R. 2370. An act to amend the Public Health Service Act to extend the programs of assistance for nurse education.

H.R. 2577. An act making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes.

H.R. 2908. An act to amend title XI of the Education Amendments of 1978, relating to Indian education programs.

H.J. Res. 251. Joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

S. 960. An act to authorize international development and security assistance programs and Peace Corps programs for fiscal years 1986 and 1987, and for other purposes.

S. 1147. An act to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws.

S.J. Res. 98. Joint resolution condemning the passage of Resolution 3379, in the U.N. General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resolution from the record of the United Nations.

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week", and

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day."

□ 1210

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
September 4, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 5, Rule III of the Rules of the U.S. House of Representatives, I have the honor to transmit sealed envelopes received from the White House as follows:

(1) At 4:00 p.m. on Thursday, August 8, 1985 and said to contain a message from the President and a copy of a publication on the Regulatory Program of the U.S. Government; and

(2) At 3:10 p.m. on Wednesday, August 28, 1985 and said to contain a message from the President on nonrubber footwear trade decision transmitted pursuant to 19 U.S.C. 2253(b)(2); and

(3) At 3:20 p.m. on Thursday, August 29, 1985 and said to contain a message from the President under the Federal Pay Comparability Act of 1970.

With kind regards, I am,

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

PUBLICATION OF REGULATORY PROGRAM OF THE U.S. GOVERNMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Government Operations:

(For message, see proceedings of the Senate of Wednesday, August 14, 1985, at page 22821.)

NONRUBBER FOOTWEAR TRADE DECISION—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-100)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Ways and Means and the Committee on Education and Labor and ordered to be printed:

To the Congress of the United States:

In accordance with Section 203(b)(2) of the Trade Act of 1974 (19 U.S.C. 2253(b)(2)), I am writing to inform you of my decision today to direct the Secretary of Labor to develop a plan to utilize the Job Training and Partnership Act of 1982 to aid dislocated workers in the nonrubber footwear industry. At the request of the Senate Finance Committee, the United States International Trade Commission (ITC) instituted an investigation to determine whether increasing imports of

domestic nonrubber footwear industry. The ITC found that nonrubber footwear imports are a substantial cause of serious injury, or threat thereof, to the domestic footwear industry.

While the escape clause provisions of the Trade Act of 1974 require the ITC to determine the question of whether a domestic industry has been seriously injured as a result of increased imports, I am charged with the responsibility of determining whether the provision of import relief to the domestic industry is in the national economic interest. After considering all relevant aspects of the case, including those set forth in Section 202(c) of the Trade Act of 1974, I have determined that granting import relief would not be in the national economic interest. I believe my decision today will promote our national economic interest by encouraging an open, nondiscriminatory and fair world economic system, a system in which jobs are created and prosperity grows through increased productivity and competitiveness in an open market. As my determination does not provide import relief to the industry, I am setting forth the reasons for my decision.

First, import relief would place a costly and unjustifiable burden on U.S. consumers and the U.S. economy. The Council of Economic Advisers estimates that the global quota remedy recommended by the ITC would create between 13,000 to 22,000 jobs with an average annual wage of $14,000. However, the cost to consumers to create these jobs would be $26,300 per job, amounting to a total consumer cost which could be as high as $2.9 billion over the next 5 years. Moreover, these jobs would not provide permanent employment and would be likely only to last during the 5-year relief period.

Second, import relief would result in serious damage to U.S. trade in two ways. If the ITC global remedy were imposed, U.S. trade would stand to suffer as much as $2.1 billion in trade damage either through compensatory tariff reductions or retaliatory actions by foreign suppliers. This would mean a loss of U.S. jobs and a reduction in U.S. exports. U.S. trade would also suffer because of the adverse impact import relief would have on major foreign suppliers, such as Brazil, who are heavily indebted and highly dependent on footwear exports. Import relief would lessen the ability of these foreign footwear suppliers to import goods from the United States and thus cause an additional decline in U.S. exports.

Third, I do not believe that providing relief in this case would promote industry adjustment to increased import competition. While imports of nonrubber footwear have increased rapidly over the last 12 months, I believe that the industry has been and is in the process of successfully adjusting to increased import competition. An industry that was once characterized by many small firms with limited manufacturing capability, has now emerged as an industry led by larger, more efficient producers who have invested in state of the art manufacturing equipment, diversified into profitable retail operations, and filled out their product lines with imports to respond to rapidly changing consumer taste.

In order to address the difficult problems faced by workers in the industry, I have directed the Secretary of Labor to work with State and local officials to develop a retraining and relocation assistance program specifically designed to aid workers in the nonrubber footwear industry. Appropriate programs of the Job Training Partnership Act are to be used to the fullest extent possible under U.S. law.

RONALD REAGAN.

THE WHITE HOUSE, *August 28, 1985.*

DECISION ON PAY ADJUSTMENT FOR FEDERAL EMPLOYEES UNDER FEDERAL PAY COMPARABILITY ACT OF 1970—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 99-101)

The SPEAKER laid before the House the following message from the President of the United States; which was read and referred to the Committee on Post Office and Civil Service and ordered to be printed:

To the Congress of the United States:

Under the Federal Pay Comparability Act of 1970, the President is required to make a decision each year on what, if any, pay adjustment should be provided for Federal employees under the General Schedule and the related statutory pay systems.

My pay advisors have reported to me that an increase in pay rates averaging 19.15 percent, to be effective in October 1985, would be required under existing procedures to raise Federal pay rates to comparability with private sector pay rates for the same levels of work. However, the law also empowers me to prepare and transmit to the Congress an alternative plan for the pay adjustment if I consider such an alternative plan appropriate because of "national emergency or economic conditions affecting the general welfare."

Accordingly, after reviewing the reports of my Pay Agent and the Advisory Committee on Federal Pay, and after considering the adverse effect that a 19.15 percent increase in Federal pay rates might have on our continuing national economic recovery, I have determined that economic conditions affecting the general welfare require the following alternative plan for this pay adjustment:

In accordance with section 5305(c)(1) of title 5, United States Code, the pay rates of the General Schedule and the related statutory pay schedules as adjusted by Section 1 of Executive Order No. 12496 of December 28, 1984, shall remain in effect without change.

Accompanying this report and made a part hereof are the pay schedules that will remain in effect under this alternative plan, including, as required by section 5382(c) of title 5, United States Code, the rates of basic pay for the Senior Executive Service.

RONALD REAGAN.

THE WHITE HOUSE, *August 29, 1985.*

PERMISSION TO MODIFY COMMITTEE AMENDMENT TO CONFORM TO FUNDING CEILINGS REPRESENTED BY SENATE CONCURRENT RESOLUTION 32

Mr. HOWARD. Mr. Speaker, I ask unanimous consent that the committee amendment at the desk which was printed in the CONGRESSIONAL RECORD on July 11, 1985, and which the rule, House Resolution 223, passed by the House on July 24 makes in order during the consideration of H.R. 10, be modified to conform to funding ceilings represented by Senate Concurrent Resolution 32, passed by the Congress August 1, 1985, setting forth the congressional budget for the United States.

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

Mr. CLINGER. Reserving the right to object, Mr. Speaker, I do so only for purposes of permitting the chairman to explain the purpose of this unanimous-consent request.

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

Mr. CLINGER. I yield to the gentleman from New Jersey.

Mr. HOWARD. I thank the gentleman for yielding.

Mr. Speaker, this request is to permit the change of authorized funding levels in the committee amendment to be offered later today to bring it into conformity with the congressional budget resolution passed August 1.

The committee amendment published in the CONGRESSIONAL RECORD of July 22, 1985, reduced the funding levels authorized by the bill for fiscal year 1986 to those represented by the budget resolution as passed by the House. It was the only guidance we had at the time the amendment was printed in the RECORD.

We now have the budget resolution as passed, and would like to bring authorized levels of funding into conformity with it.

Mr. CLINGER. I thank the chairman.

Mr. Speaker, I withdraw my reservation of objection.

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

There was no objection.

APPOINTMENT OF CONFEREES ON S. 1128, CLEAN WATER ACT AMENDMENTS OF 1985

Mr. HOWARD. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the Senate bill (S. 1128) to amend the Clean Water Act, and for other purposes, insist on the House amendments, and agree to the conference requested by the Senate.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey? The Chair hears none, and appoints the following conferees: Messrs. ROE, ANDERSON, MINETA, OBERSTAR, EDGAR, TOWNS, SNYDER, HAMMERSCHMIDT, STANGELAND, and CLINGER;

And additional conferees as follows:

Mr. NOWAK, solely for sections 59 and 73 of the House amendment and modifications committed to conference; and

Mr. ROWLAND of Georgia, solely for sections 5; 16(b)(1)(b); 16(h)(3)(a); 24(e)(7); 26(b)(3); and 51(a)(2) of the House amendment and modifications committed to conference.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 281

Mr. REID. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 281.

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

There was no objection.

INTRODUCTION OF LEGISLATION TO EXEMPT STATE AND LOCAL GOVERNMENT EMPLOYEES FROM COSTLY OVERTIME PAY REQUIREMENTS

(Mrs. SMITH of Nebraska asked and was given permission to address the House for 1 minute and to revise and extend her remarks and include extraneous matter.)

Mrs. SMITH of Nebraska. Mr. Speaker, I am introducing legislation today that will exempt State and local government employees from overtime wage coverage under the Fair Labor Standards Act of 1938 [FLSA] and will clarify the application of that act to volunteers. My bill is nearly identical to legislation introduced in the other body as S. 1570 by my good friend, the gentleman from Oklahoma [Mr. NICKLES]. Our bills address potentially costly fiscal problems of our local governments stemming from a February 19, 1985, ruling by the U.S. Supreme Court. The Court's decision in Garcia versus San Antonio Metropolitan Transit Authority extended the FLSA to nearly all State and local government employees.

The Garcia decision requires that State and local governments pay their employees overtime for any hours worked over 40 per week, except police and firefighters, who may work longer before accruing overtime.

Prior to the Court's ruling, employees frequently took compensatory time off in lieu of overtime pay. This arrangement was satisfactory to many employees, reflected the seasonal nature of several local jobs, and greatly aided financially strapped local governments.

The overtime pay mandate of the Garcia decision now threatens local governments and our citizens with tax increases, reduced services, and even layoffs.

My bill will fend off the adverse consequences of this unwarranted Federal intrusion by allowing more flexible "comp time" arrangements in lieu of overtime pay.

It also would allow volunteer workers to be paid incidental expenses without jeopardizing their volunteer status.

My legislation would not repeal those provisions of the FLSA regarding minimum wage standards and protection against exploitative child labor practices. The effective date of this bill would be retroactive to February 19, 1985, the date of the Court's decision.

Please join me in restoring the prerogatives of States and local governments to manage their own affairs by cosponsoring this urgently-needed legislation.

The text of my bill follows:

H.R. —

A bill to amend the Fair Labor Standards Act of 1938 to exempt from the overtime requirements of that Act employees of States and local public agencies and to clarify the application of that Act to volunteers

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

SECTION 1. OVERTIME REQUIREMENT.

(a) AMENDMENT.—Section 13(b) of the Fair Labor Standards Act of 1938 (29 U.S.C. 213(b)) is amended by striking out the period at the end of paragraph (29) and inserting in lieu thereof "; or" and by adding after that paragraph the following:

"(30) any employee of a public agency that is a State, a political subdivision of a State, or an interstate governmental agency.".

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall take effect with respect to workweeks beginning after February 19, 1985.

SEC. 2. VOLUNTEERS.

Section 3(e) of the Fair Labor Standards Act of 1938 (29 U.S.C. 203(e)) is amended—

(1) by striking out "paragraphs (2) and (3)" in paragraph (1) and inserting in lieu thereof "paragraphs (2), (3), and (4)", and

(2) by adding at the end the following:

"(4) The term 'employee' does not include any individual who volunteers to perform services for a public agency that is a State, a political subdivision of a State, or an interstate governmental agency and volunteers to perform such services without compensation or for expenses or a nominal fee.".

SEC. 3. CONFORMING AMENDMENTS.

(a) SECTION 7.—Subsection (k) of section 7 of such Act (29 U.S.C. 207(k)) is repealed.

(b) SECTION 13.—Paragraph (20) of section 13(b) of such Act (29 U.S.C. 213(b)(20)) is repealed.

A WELCOME TO THE HONORABLE JIM CHAPMAN AS A MEMBER OF THE HOUSE

(Mr. LELAND asked and was given permission to address the House for 1 minute.)

Mr. LELAND. Mr. Speaker, first of all, I would like to welcome all of my colleagues back. It is good to be back in the midst of all of them so we can engage ourselves in our very arduous work ahead of us.

Let me take a few minutes to just say that a few months ago we lost one of our great Members of the U.S. Congress to the Federal judiciary. I was happy for Sam Hall when he took his assignment, but I was also concerned that the residents of the First Congressional District of Texas would continue to receive effective leadership. Well, today I am proud to stand here in the People's House and state that a certain young man from Sulphur Springs, TX has allayed my concern for the welfare of the people in the First Congressional District.

As chairman of the Texas Democratic delegation, it is with great pleasure that I welcome the newest Member of the U.S. Congress and, of course, of the Democratic delegation, Congressman JIM CHAPMAN. I am impressed with JIM because he chose to make the personal sacrifice to serve the people of the First Congressional District as their Representative in Washington. Yet no one should be surprised that he would undertake the task to serve the people. JIM was a public servant long before he came to Washington.

As of today, JIM CHAPMAN will represent a congressional district with one of the most colorful histories in the U.S. Congress. The First District was represented for many years by the Honorable Wright Patman and most recently, of course, by Sam Hall. I am confident that before JIM CHAPMAN leaves this House, he will have a few pages of history to write on his own.

AMERICA'S No. 1 PROBLEM—DEFICITS

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

Mr. GUNDERSON. Mr. Speaker, Mr. President, let me say to my col-

leagues that the word from the people of western Wisconsin, after a 75-city tour during the past month, is deficit, deficit, deficit—the budget deficit, the trade deficit, and farm-income deficit. And they plead with all of us to set aside our partisanship and our ideology and respond to the needs facing this country with these deficits at the present time.

It did not take the weekend following the passage of that budget resolution for the American people to recognize that it was an inadequate response to the national debt. Even in a rural district such as mine they are absolutely alarmed at the staggering trade deficit facing this country and continuing to grow. And let me tell the Members that the present farm-income deficit is causing the removal and the destruction of the family farm across the country.

Deficit, deficit, deficit—budget deficit, trade deficit, farm-income deficit. Our work is cut out for us in the next few months.

HURRICANE ELENA

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

Mr. MONTGOMERY. Mr. Speaker, as you know, Hurricane Elena slammed into the Mississippi gulf coast on Labor Day, bringing winds in excess of 120 miles an hour.

The home of our colleague and minority whip, TRENT LOTT, sustained some damage in the hurricane. The veterans hospital in Gulfport reports $1 to $2 million in damage, and hundreds of homes and businesses were destroyed. It is certain that property damage costs will run into the hundreds of millions, but we can all be thankful that no one was killed in Mississippi but there were some deaths in Florida.

This storm proved that even with the best equipment, we cannot predict where a hurricane will hit. But the storm watchers and volunteers who manned the shelters and evacuation operations deserve praise. Their work surely helped save people.

Mississippi gulf coast residents survived Camille in 1969 and Frederic in 1979. If I know my fellow Mississipians, I can say with confidence that they will bounce back from this hurricane and those Federal Government agencies certainly help.

INTRODUCTION OF LEGISLATION TO CORRECT BUDGETARY PROBLEMS STEMMING FROM GARCIA DECISION

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

Mr. DAUB. Mr. Speaker, today I am introducing legislation in response to the Supreme Court's decision in Garcia versus San Antonio Metropolitan Transit Authority—a decision that subjects employees of State and local governments to the Fair Labor Standards Act [FLSA].

The National League of Cities and the International City Managers' Association estimate that compliance with Garcia will cost $1 billion for this coming year. For fire-protection service alone, the city of Omaha, NE, projects the additional cost of overtime will be $370,000 for the coming year.

Flexible and innovative employment practices, many of which are negotiated between local governments and municipal workers' unions, will no longer be possible under this court decision. The Garcia decision has also created problems with regard to individuals providing voluntary services to State and local governments.

The legislation that I have introduced will rectify these impending effects but still preserve important minimum-wage standards. My bill will exempt State and local governments from the overtime provisions of FSLA retroactive to February 19 and will also exempt individuals providing volunteer services to State and local governments from the minimum wage and overtime provisions of the FSLA.

Mr. Speaker, I circulated a "Dear Colleague" letter on August 27 and would appreciate Members' attention.

GOP IN DISARRAY, DEMOCRATS GAIN IN AUGUST

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

Mr. COELHO. Mr. Speaker, the President said yesterday, "we're in power," meaning the Republicans. I'm glad he finally admitted that after 4½ years—maybe he realizes that this fall is the Republicans' last opportunity to face reality before the Democrats step in and pick up the pieces.

In any event, it was a great August for the Democrats: JIM CHAPMAN defeated the national GOP machine and won a key House race. The Senate Republicans suffered a key retirement, and their control looks even more temporary. And the grassroots Democrats slammed an open door in the Republican National Committee's face.

Contrast this with President Reagan's warning yesterday to fellow Republicans to toe the line or else.

Why such disarray in the GOP? Because events now clearly control the White House agenda, not the other way around anymore, as their mismanagement of the economy and 1984 happy talk campaign have finally caught up with them.

Take any issue: Agriculture, trade, the national debt, and more, the situation is getting worse, and the Republicans don't have a policy to deal with any of them.

THE DEATH PENALTY FOR TREASON AND ESPIONAGE

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

Mr. GEKAS. Mr. Speaker, now we have the tragic stories of espionage and treason and betrayal coming out of West Germany to add to the stories that we have learned about American disloyalty in the Walker conspiracies. It is time for this Congress to act and to act responsibly to restore to the laws of the Nation a death penalty to apply for treason and espionage.

We have talked about this, and we have taken action bit by bit, but there is lodged in the Judiciary Committee a comprehensive death-penalty bill that will apply to this kind of betrayal. I urge the chairman of the Subcommittee on Criminal Justice on which I serve in that Committee on the Judiciary to take action and will consult with him in order to bring that up to the floor.

But in the meantime I urge my colleagues to sign Discharge Resolution No. 2 to add pressure on that momentum so that we can act responsibly and bring about this much-needed deterrent to betrayal of our country.

NEW YORK TIMES CRITICIZED FOR FIRING COLUMNIST

(Mr. FRANK asked and was given permission to address the House for 1 minute.)

Mr. FRANK. Mr. Speaker, I was exteremely disappointed by the action of the people who run the New York Times when they fired a columnist named Sydney Schanberg because he had been controversial, outspoken, and on occasion willing to criticize the New York Times itself. I have generally been supportive of the major media institutions in this country when they fought for the right for free and open and untrammeled debate, and obvioulsy they have the right as the owners of that paper to run it as they wish. But I am disappointed in their unwillingness to commit themselves internally to the kind of standards of free and open debate that they understandably argue for publicly.

The New York Times ought to be ashamed of itself for that act of self-censorship, and I hope they will reconsider what they have done.

THE BUDGET: IT'S A PHONY

(Mr. PORTER asked and was givern permission to address the House for 1

minute and to revise and extend his remarks.)

Mr. PORTER. Mr. Speaker, let me be very blunt.

That budget resolution we passed 5 weeks ago is a sham. It's a phony. We have the audacity to tell the American people that we cut $55 billion from the deficit. You know, I know, all the Members of both Houses know this so-called compromise pales next to the $56 billion in cuts the Senate budget originally proposed. Those were honest numbers. Ours aren't.

Sure, some numbers were concocted to make it sound good. Sure, some token cuts were made. Amtrak cut 15 percent. EDA cut 20 percent. But if we can't muster the nerve to entirely eliminate EDA, we'll never eliminate any program from the budget. We cut farm programs barely half as much as the Senate proposed, and no one thinks even these modest cuts will actually occur.

And, yes, a nice increase for defense—camouflaged by low outlay estimates, which are not binding. And yet another Social Security increase at a time even we can't afford it.

All of this is worse than phony. It's not fair. Not fair to our children. Throughout their lifetimes, they'll be footing the bill for this folly.

ASAT TEST

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

Mr. BROWN of California. Mr. Speaker, I call the attention of my colleagues to the fact that the President has authorized the testing of an anti-satellite weapon against an object in space, which test may take place at any time, perhaps even as we speak. In accordance with provisions of existing law, the President has certified that he is negotiating in good faith with the Soviet Union for an ASAT arms control treaty, that the test is essential to the security of the United States, that it will not do irreparable harm to the prospects for an arms control treaty for space weapons, and that it does not violate the ABM or other arms control treaties. He made this certification on August 20, 1985, while the Congress was in recess, and the required 15 days waiting time expires today, September 4, 1985, while the Congress is still unable to take any action.

The certification made by the President can only be described as fiction, devoid of any resemblance to reality. We could probably have expected something of this sort, since most of the President's policies seem to originate in fantasyland. However, this action constitutes the most bare-faced definance of a specific congressional mandate I have experienced during my tenure in the Congress. I presume that the President takes the position that while he is required to make a certification, there is no requirement that the certification be true, and no congressional sanction for a false certification.

Mr. Speaker, I propose to take additional time in a special order today to discuss the action of the President in more detail. I invite other Members concerned about arms control to join with me, as well as those Members supporting the President on ASAT testing and deployment, so that they may correct any errors or excess of language which may inadvertently enter my remarks.

COURTS FAIL IN THEIR RESPONSIBILITY TO PUNISH VIOLATORS OF LAWS ON HIGH-TECHNOLOGY DIVERSION

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

Mr. ROTH. Mr. Speaker, it never stops—that is, the diversion of high technology. Whenever you open the paper, for example, in August, you see that an illegal exporter gets a suspended sentence or a high-tech exporter gets a reduced jail term.

We in this body spent endless hours to enact legislation designed to prevent the diversion of high technology. We stiffened the penalties, we increased surveillance, but all to no avail if the courts will allow the violators to violate our laws and do this with impunity.

The judges, in my opinion, are totally irresponsible in carrying out their obligations to enforce the laws that this Congress passed, and in my opinion the judges bear an onus for the additional defense spending that is required to insure that the capabilities that are obtained by the Soviets because of the diversion are countered by us, and I think they have to share much of the blame for the high defense spending that takes place many times when they do not enforce the laws that we pass against diversion of high technology here in this body.

THE PEOPLE SEE JOBS, NOT TAX REFORM, AS NO. 1 ISSUE

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

Mr. ROEMER. Mr. Speaker, I spent the month of August back in my district in Louisiana listening to and talking to people about what was on their minds. Let me give the Members a quick 1-minute report.

They ask of the Congress three things. First they ask us to do something about the deficit. They figured out that a $200 billion deficit leads to an overvalued dollar and high real interest rates. It is costing them jobs, and jobs are on their minds. They say that we can start with defense. Surely we can defend America with $292 billion.

Second, they talk about the trade deficit and jobs. In the 1 hour that we will spend today doing 1-minute speeches, we will lose 400 manufacturing jobs overseas while the President spouts slogans on free trade and we just spout. My district said that America is Uncle Sam, not Uncle Sucker. Lead, Mr. President, or get out of the way.

Finally, in last place they put tax reform. They are all for it, but they said the President's plan is not simple, not fair, and they ask the question: What does the President's plan do for jobs? Is this another contemporaneous recordkeeping ploy?

Mr. Speaker, tax reform is not the issue. Jobs is. A bill uncertain on employment, a bill adding to the deficit is death to jobs, and it ought to be dead in the House. The tax bill needs to be improved or removed.

REMOVAL OF SOVIET CITIZENS FROM JOBS IN AMERICAN EMBASSIES

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

Mr. COURTER. Mr. Speaker, the State Department employs about 200 Soviet citizens in our two diplomatic missions, some in our Embassy in Moscow and some in our consulate in Leningrad. Last May the House of Representatives passed an amendment proffered by myself which would have prohibited the further hiring of Soviet personnel in our Embassies because of the security problems they have caused in the past. Some of our typewriters, as a matter of fact, were bugged.

In view of the fact that we have been reading about the "spy dust" imbroglio whereby a possible carcinogenic agent was placed on our mission personnel there so their whereabouts and who they met could be traced by the Soviet Union, it becomes that much more important to make sure that Soviet personnel do not have access inside our Embassy. Because the conference report watered down the House amendment making this voluntary, I will be introducing this week a bill which requires that the State Department remove Soviet personnel from our Embassy, and I urge my colleagues to cosponsor the legislation.

WESTERN KENTUCKIANS SAY NO TO INDIVIDUAL TAX RAISES

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

Mr. HUBBARD. Mr. Speaker, as we welcome today the new Member of Congress form the First District of Texas, I take this 1 minute to comment that in the First District of Kentucky, which I'm privileged to represent, the people are very much aware of the issues before this 99th Congress.

During the recess I kept listening to my constituents.

Yes, they mentioned economic sanctions for South Africa.

Yes, they are anxious about the 1985 farm bill.

They are concerned about Federal deficit spending and trade deficits.

However, the single most talked about issue by western Kentuckians during the August recess involved our present income tax system. They were dismayed at the thought of having to individually pay higher taxes, while many big corporations pay no taxes at all.

Only last week major U.S. newspapers published stories with headlines such as "No U.S. Income Taxes Were Paid in '84 By 40 Big, Profitable Firms, Study says" and "50 Major Firms Paid No Income Tax '81-'84."

I am finding it increasingly difficult to explain to my constituents why the Federal Government continues to tolerate this inequitable situation. It is unfair to ask individuals to pay higher taxes, while allowing big corporations to pay no taxes at all or, indeed, to receive huge tax refunds and credits.

□ 1240

THE 40TH ANNIVERSARY OF END OF WORLD WAR II

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

Mr. DORNAN of California. Mr. Speaker, sometimes the anniversaries of great events in world history and U.S. history pass when we are on one of our district breaks. The 40th anniversary of the end of the greatest killing in all history, World War II just passed. Those anniversaries were celebrated while we were on our break and we did not have the advantage of those of us who are the elected Representatives of the people to comment upon that great moment in history. The 40th anniversary is important because that is when most of the survivors are still alive to look back with some historical perspective.

I have not yet recovered from the disgusting, obnoxious, television coverage of the fall of Saigon last April on the 10th anniversary, but I certainly was not ready for the 40th anniversary, including one Congressman of this House, on Hiroshima and Nagasaki, expressing shame about the end of World War II and using atomic weapons.

I would recommend to that distinguished Member that he reread, as I did, "Death March," the story of Bataan and what happened to over 60 percent of our prisoners of war in the Pacific Theater, the torture and death that they went through. Only a handful of Americans, several hundred of our POW's in Hanoi, including a distinguished Member of this body, have ever suffered as much as the men taken prisoner in the Pacific. Only 1 percent of our POW's died in Nazi Germany in spite of all the horror of the concentration camps against civilians, but over 60 percent of our men died in the Pacific.

Read this book and you will never again express shame or whimper about the end of the Second World War, using atomic weapons.

HOPE FOR THE FUTURE OF PAKISTAN

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

Mr. TORRICELLI. Mr. Speaker, several months ago a young bright woman came to visit me in my office and she talked about her hopes for the future of her country. She spoke about her deeply felt desire that freedom return to the land of her birth. Her name was Benazir Bhutto and the country of her birth is Pakistan.

Several days ago she was rewarded for her beliefs in democracy and liberty for her country by being placed under house arrest. Despite the death of her father by the Zia government, Miss Bhutto spoke not a word in retribution. Despite 8 years of military rule by the Zia government, she spoke of peaceful change. Indeed, shortly before her arrest she told her supporters that the government must have a chance to live up to its promise to end martial law and restore constitutional civilian rule.

Her sole crime, Mr. Speaker, was her popularity. Let the Zia government understand today that Miss Bhutto has friends in America, as she has popular support in Pakistan.

Let him understand as well that we are watching that she is safe and secure and let that Government understand that as we have extended the hand of friendship, so, too, it can be withdrawn.

SOUL OF AMERICA AT STAKE

(Mrs. BENTLEY asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. BENTLEY. Mr. Speaker, the President's decision not to support the ITC finding that the American shoe industry should be protected against a flood of foreign imports highlights a growing problem of constitutional separation of powers.

The Constitution grants to the Congress the power over "interstate and foreign commerce"—a power which over the last 20 years has been given over by this body to the executive branch in a series of trade laws.

The distinguished chairman of the Commerce, Science, and Transportation Committee of the Senate suggested this past weekend that it is time for the Congress to take back some of the power it has ceded away. I think he is right.

Weekly we hear of yet another industry being destroyed by rising imports—petrochemicals being the newest to be added to the list which ranges from the smallest ball bearings and shoes to automobiles and trucks. What is at stake here is not an ideal of free trade in a perfect world, what is at stake right now is the very soul of America—our industrial base.

As Members of Congress we are sworn to uphold the Constitution. If we are charged by that document with the responsibility for interstate and foreign commerce, then I think we are bound to go about our duty to take back that responsibility.

TRIBUTE TO THE LATE HONORABLE CHARLES W. SANDMAN, JR.

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

Mr. HUGHES. Mr. Speaker, regretfully I rise today to note in the RECORD the great loss of a friend, and a distinguished fomer Member of Congress, the Honorable Charles W. Sandman, Jr.

"Charlie," as he was affectionately known to his many friends and supporters in southern New Jersey, died on August 26 after suffering a stroke at his home in Cape May County.

His passing has left a void in the hearts of those who knew, respected, and loved this fine man.

Charlie Sandman was a devoted public servant, who served in the State legislature for 10 years, the U.S. House of Representatives for 8 years, and most recently was chief judge of the Cape May County Family Court.

While he was perhaps best known for his impassioned defense of President Nixon during the impeachment hearings in 1974, Charlie's record of accomplishments goes well beyond that one moment in history, when he

was called upon to cast one of the most difficult votes to ever confront a Member of Congress.

In fact, he was a tireless worker who loved his country, his community, and his family. He dedicated himself for more than two decades to improving the quality of life for the people he served.

Charlie Sandman is survived by his wife Marion and his six children: daughters Carol and Marion, and sons William, Robert, Charles, and Richard. I wish to extend my deepest sympathy toward the entire Sandman family. Charlie was a remarkable man, and we will all miss him greatly.

PRAISE FOR PAKISTAN'S HUMANITARIAN EFFORTS

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

Mr. McCOLLUM. Mr. Speaker, I recently had occasion to visit the country of Pakistan as part of my duties as a member of the Subcommittee on Immigration and Refugees and the Subcommittee on Crime of the Judiciary Committee. I would like to take this opportunity to commend the Government of Pakistan on their outstanding humanitarian efforts in providing for the almost 3 million refugees from Afghanistan who have flooded their country, and their program to eliminate poppy cultivation in Pakistan.

The Government of Pakistan has done a remarkable job in caring for and supporting the largest refugee population in the world. One-fifth of the entire Afghan population now is residing in 308 refugee camps inside Pakistan. The refugees in Pakistan are about one-third of the total number of refugees in the world from all countries.

Support of the refugees costs over $1 million a day of which the Government of Pakistan pays about half. Obviously, the drain on their budget and GNP have been enormous. In addition, 3 million sheep and goats have come with the Afghan refugees which have created added pressure on the water and pastures of the country.

The Government of Pakistan has also made great strides in eliminating one of the world's major sources of heroin by taking major steps to reduce poppy cultivation. The number of acres of poppies in Pakistan which have been a primary source of opium and heroin have been dramatically reduced since 1980. In addition, Pakistan is proceeding with a beefed-up, tough program against narcotics trafficking.

The Government of Pakistan deserves recognition and praise for these heroic efforts.

BRING BEN WEIR AND THE OTHER HOSTAGES HOME

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

Mr. MINETA. Mr. Speaker, as we return from our district work period, a great many problems and challenges are before us. I hope that as we confront these issues, we do not forget the seven Americans who are still held hostage in Lebanon.

For the families of these hostages, the days, weeks, and months of waiting go on. Can any of us begin to imagine the pain, the agony, and the loneliness of their solitary vigil waiting for news of their loved ones?

We must not let this human drama go on without our attention and help. We must not let this problem slip out of our minds, and we must insist that this administration do everything in its power to bring these hostages home, and bring them home soon.

Rev. Ben Weir, whose family lives in my district, has been held for more than 1 year. That is too long. Bring Ben Weir and the others home.

STATEMENT ON SEMYONOV HUNGER STRIKE

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

Mr. HOYER. Mr. Speaker, yesterday, two blocks from the Soviet Embassy, I met and talked with Alexei Semyonov, stepson of Nobel Peace Prize Laureate Andrei Sakharov and son of Elena Bonner. Five days ago, he began a hunger strike to protest Soviet mistreatment of his parents from whom he has not heard in more than 4 months. Dr. Sakharov, a champion of intellectual freedom, has been in internal exile in the closed city of Gorky since 1980. His wife was sentenced to exile in 1984. Such exile is to live as those already dead.

As cochairman of the U.S. Helsinki Commission, I join in the eloquent remarks of Secretary of State Shultz, who, at the recent 10th anniversary of the Helsinki accords, characterized Sakharov as "the man who, more than any other, represents the ideals enshrined in the Final Act."

The freedoms Dr. Sakharov and Elena Bonner extol are those which are guaranteed by the Helsinki Final Act. Their plight is not an isolated example. It epitomizes the Soviet Union's disregard for the human freedoms and moral standards which guide relations among the states set forth at Helsinki.

If the leaders of the Soviet Union truly wish to improve the atmosphere for the November summit in Geneva, then let them observe the human rights accords they signed 10 years ago and permit the International Red Cross to visit and report on the Sakharovs' condition. In addition, I urge you to join me in requesting the Soviet leaders, as a confidence-building measure, to release Andrei Sakharov and Elena Bonner before the November summit.

VOTE FOR H.R. 1460, ANTI-APARTHEID ACT OF 1985

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

Mr. FAUNTROY. Mr. Speaker, now that we're back from recess, one of the first orders of business Congress must take up is to complete passage of H.R. 1460, the Anti-Apartheid Act of 1985.

While we have spent much of this year debating whether economic sanctions should be imposed by the United States against South Africa, it is clear that the apartheid regime has done more to destroy its own economy than any sanctions we have contemplated to date.

Perhaps now, in the wake of a rapidly deteriorating situation in South Africa, we can send a decisive message to that government and halt its blind march to tragedy, bloodshed, and violence and spark a serious attempt at national reconciliation and dialog with all of the people.

As chairman of the Subcommittee on Domestic Monetary Policy of the Banking Committee, I have written to Federal Reserve Board Chairman Paul Volcker and to certain American financial institutions encouraging them to give serious thought before extending credit or refinancing debt for South Africa, unless new political dispensation and negotiations with all groups in South Africa occurs.

It seems to me that now is the time for all people of conscience to join together and urge the Senate of the United States to vote favorably on the House/Senate conference report on H.R. 1460, and for all of us in the Congress to be prepared to override a veto which our President may use in defense of South Africa's President Botha, and the dying apartheid regime.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION

The SPEAKER pro tempore (Mr. KILDEE) laid before the House the following communication from the chairman of the Committee on Public Works and Transportation; which was read and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION,
Washington, DC, July 29, 1985.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the provisions of the Public Buildings Act of 1959, as amended, the House Committee on Public Works and Transportation approved the following projects July 18, 1985:

A succeeding lease at the Railway Labor Building; 400 First Street, NW; Washington, District of Columbia.

A succeeding lease at the Shoreham Building; 15th and H Streets, NW; Washington, District of Columbia.

A succeeding lease at the Tamol Building; 4228 Wisconsin Avenue; Washington, District of Columbia.

A succeeding lease at 1310 L Street, NW; Washington, District of Columbia.

A succeeding lease for multiple agencies at the Matomic Building; 1717 H Street, NW; Washington, District of Columbia.

A succeeding lease at the Century XXI Building; Germantown, Maryland.

A succeeding lease at the Rosslyn Plaza East Building; 1621 North Kent Street; Arlington, Virginia.

Acquisition of space by lease for the Patent and Trademark Office; Department of Commerce; Arlington, Virginia.

A new lease for multiple agencies at the Plaza West Building; Arlington, Virginia.

A succeeding lease at the Ballston Center Tower #1; 800 North Quincy Street; Arlington, Virginia.

A succeeding lease at the Ballston Center Tower #3; 4015 Wilson Boulevard; Arlington, Virginia.

A succeeding lease at the Columbia Pike Office Building; 5600 Columbia Pike; Falls Church, Virginia.

A succeeding lease at III Skyline Place; Falls Church, Virginia.

A succeeding lease at the Fullerton Industrial Park; 7943-59 Cluny Court; Springfield, Virginia.

A new lease at the Northrop-Page Building; 801 Follin Lane; Vienna, Virginia.

The original and one copy of the authorizing resolutions are enclosed.

Every best wish.

Sincerely,

JAMES J. HOWARD,
Chairman.

There was no objection.

COMMUNICATION FROM CHAIRMAN OF COMMITTEE ON ARMED SERVICES

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Armed Services:

COMMITTEE ON ARMED SERVICES,
Washington, DC, August 21, 1985.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: This is to notify you pursuant to Rule L(50) of the rules of the House that Warren Nelson of the Committee staff has been served with a subpoena duces tecum issued by the United States Claims Court. In consultation with the General Counsel to the Clerk of the House, I will make the required determinations and will notify you of those determinations.

Sincerely,

LES ASPIN, *Chairman.*

NATIONAL DEVELOPMENT INVESTMENT ACT

The SPEAKER pro tempore. Pursuant to House Resolution 223 and rule XXIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 10.

□ 1255

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 10) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, with Mr. HOYER in the chair.

The Clerk read the title of the bill.

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

Under the rule, the gentleman from New York [Mr. NOWAK] will be recognized for 30 minutes, and the gentleman from Pennsylvania [Mr. CLINGER] will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York [Mr. NOWAK].

Mr. NOWAK. Mr. Chairman, I yield 3 minutes to the chairman of the Committee on Public Works and Transportation, the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, I rise to express my strong commitment to and support for H.R. 10. This bill provides a vastly improved legislative vehicle for the Federal Government to invest in our Nation's most economically distressed communities.

The National Development Investment Act, title I of H.R. 10, amends the existing Public Works and Economic Development Act and completely revises the approach for providing assistance to encourage economic diversification, adjustment and development in regional and subregional areas.

Title II of H.R. 10 extends the Appalachian Regional Development Act by authorizing the finish-up program endorsed by the Appalachian Governors and under which the Commission has been operating since 1982.

For the third time, this legislation comes before the House. In the 97th Congress, H.R. 6100 passed overwhelmingly by a vote of 281 to 95; in the 98th Congress, H.R. 10 passed 306 to 113. The bill before us today has been cosponsored by 173 Members and has strong bipartisan support.

This is a pretty good indication that a majority of present and former Members of the House know firsthand the benefits that have been derived in their own areas from successful economic development programs and realize the value of these regional and subregional programs to our overall national economy.

In many years of experience with regional and local economies, we have clearly seen that policies which address economic problems solely at the national level have not sufficiently helped many of our Nation's economically distressed areas. Despite periods of national economic expansion, many areas are bypassed for any number of reasons. There is a continuing urgency to retain targeted economic programs to help as many as possible of our most distressed areas. A strong national economy depends on self-sufficient and productive local and regional economies, economies that have some stability yet sufficient flexibility to weather the technological and structural changes which accompany and facilitate national growth.

The drafting and refining of this legislation has involved extensive oversight and legislative hearings, an in-depth evaluation of existing economic development programs and many long hours of hard work over a period of several years. A number of people have had a role in shaping this bill, however, at this time I want to commend and express special thanks and appreciation:

To HENRY NOWAK, chairman and long-time member of our Subcommittee on Economic Development, who has guided the bill through committee and to the floor in this Congress, and who has worked hard to garner support to continue financing the existing programs until we can enact H.R. 10.

To JIM OBERSTAR, whose dedicated leadership of the subcommittee in the 97th and 98th Congresses was so instrumental in bringing about this carefully constructed economic development initiative;

To BILL CLINGER, ranking minority member of the subcommittee, whose contributions to the legislation and whose bipartisan support and effort helped make the bill possible; and

To GENE SNYDER, ranking member of the Public Works and Transportation Committee for his cooperation in reporting this bill out of committee with a unanimous vote.

I want to take this opportunity also to give special thanks to the members of the Banking, Finance and Urban Affairs Committee, especially to Chairman ST GERMAIN and to Chairman LAFALCE of the Economic Stabilization Subcommittee, for their fine work in amending the legislation in the last Congress and for their support in moving this bill forward.

The National Development Investment Act provides for up to 50 percent Federal grants for construction, repair, rehabilitation, and improvement of public facilities; for locally administered revolving loan funds to assist small business, retain existing business, and for projects that will promote development and create jobs;

and for planning, assistance with preparation of development investment strategies, and technical assistance.

There is a new focus in this legislation not found in existing law. It emphasizes a local leadership role, more private sector involvement, and intergovernmental cooperation and coordination. It encourages long-range investment in mutually supporting projects and activity that will harness existing resources and build on a sound economic basis.

It limits eligibility to areas with an unemployment rate of 1 percent or more over the national level for the previous 2 years or with a per capita income of 80 percent or less of the national average, and targets funds to areas of need and where there is the greatest potential for success and self-sufficiency. It retains eligibility for areas where a major employer has closed or is about to close, which would result in a sudden and severe economic dislocation.

The long-term designation for eligibility, as in current law, is eliminated. Now, an applicant must demonstrate distress, using most recent data, with each application.

It sets a limit of $2 million for a grant in any fiscal year to an applicant to implement a development investment strategy and limits to $1 million, a revolving loan grant. This is to provide a wider distribution of limited Federal funds, to avoid giving one area unfair advantage over another, and to promote a balance of economic development programs in both urban and rural areas.

Title II of H.R. 10 provides for continuation of construction of the remaining 380 miles included in the finish up program for the Appalachian highway system and for the gradual completion, rather than abrupt termination, of the area development projects in progress or ready to go. We cannot turn our backs on the Appalachian region at this point in time without seriously jeopardizing much of the value of the large investments made to date. This would drastically impair the region's efforts and opportunities to move closer to national averages for employment and income and overall standard of living, and would be a waste of both the region's and the Nation's resources.

This bill is a realistic approach for developing long-term economic strategies and addressing regional and local disparities. It retains a measure of Federal help by providing seed capital to stimulate and encourage areas undergoing severe economic shock to tackle their own unique problems, but it calls for States, local communities, and the private sector to assume a greater share of the planning, implementing, and financing to achieve these goals.

The bill also reduces the authorizations for both titles to levels appropriate to our national fiscal problems and reflects the deep concern of us all about the size of our Federal deficit.

I urge passage of H.R. 10.

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

It is a great pleasure for me, as chairman of the Subcommittee on Economic Development, to join with my colleagues—Mr. SNYDER, Mr. CLINGER, Mr. OBERSTAR, and Chairman HOWARD—in bringing H.R. 10 to the floor.

This bill is intended to provide badly needed assistance to our Nation's most severely distressed areas in their efforts to solve their own economic problems, promote economic growth and diversification, create or retain permanent jobs in the private sector, and move closer to the Nation's economic mainstream.

H.R. 10 completely revises the programs provided by the Public Works and Economic Development Act and extends the Appalachian Regional Development Act. Title I, the revision of the Economic Development Act, draws upon the positive elements of past economic development activities, yet it provides a new look for a private/public partnership to address the needs of the 1980's. At the same time, it responds to the criticisms of existing programs.

This bill follows the guiding principle that economic development should be initiated at the local level. The bill retains a grant program providing 50 percent Federal grants to States, economic development districts, Indians and local governments, to construct public facilities and improve the basic infrastructure necessary to support development. It also retains grants for business development loans. However, the funds will now go to communities to establish and administer their own revolving loans funds to aid small business with startup capital and expand existing operations to create jobs. Funding is also available for economic development planning, including preparation of development investment strategies, and for technical assistance.

A central feature of the bill is the locally developed, long-range development investment strategy. Communities will prepare their own strategies, setting their own priorities and directing their own destinies, requiring considerable private sector and intergovernmental cooperation and coordination.

Eligibility is determined by any one of three distress criteria: an unemployment rate of 1 percent over the national average for the previous 2-year period; or a per capita income that is 80 percent of the national average. The bill also retains eligibility for areas which have experienced, or are about to experience, sudden economic distress through loss of a major employer.

I want to emphasize that H.R. 10 is a great improvement over existing legislation, and it addresses many of the criticisms and shortcomings of current programs.

The Federal financial responsibility is reduced to a 50-percent funding match, which is less than current law that can go up to 80 percent. This is intended to give local government and the private sector a greater stake in a program's success and to foster even greater leveraging of the Federal dollars.

Under the committee amendment, we are further reducing the amounts to bring the figures in line with the budget resolution passed August 1. H.R. 10 funding for EDA would provide a total fiscal year 1986 authorization of $182.8 million. This is 20 percent less than appropriations for fiscal year 1985 for EDA.

There is a limit of $2 million on the total funds an applicant may receive in a given year to implement a development investment strategy. This is to stretch limited Federal funds and to avoid giving one or a few areas an unfair advantage of revolving disproportionately large amounts. A limit of $1 million is set for each revolving fund grant.

Eligibility criteria is scaled down and only areas with the greatest need will receive assistance. Also, an area, once it is determined as eligible, will no longer remain so indefinitely and must demonstrate it meets distress criteria with each application.

Title II of H.R. 10 covers the Appalachian Regional Commission which has proven to be one of the most successful examples of a Federal/State partnership. The Appalachian region is, in a sense, at a crossroads right now in its efforts to achieve parity with national economic levels. While there has been considerable improvement since 1965, the region is still substantially behind most other areas of the Nation in economic opportunity and quality of life.

This bill provides the legislation to put into effect the finish-up programs the Appalachian Governors agreed to in 1982. It represents a great compromise from original plans, especially to the highway system. The 13 States and localities have assumed greater financial responsibility and private sector involvement has increased, but, according to testimony we received at our hearings, their finances are stretched to the limit. Without Federal assistance, the gaps remaining in the highway system may not be completed, at least in the near future, and some on-going and recently completed projects that are dependent on those

highways will not achieve their planned potential.

The committee amendment reduces Appalachian funds to $121 million—down 20 percent from the fiscal year 1985 appropriation.

The help the Federal Government provides under this bill is not excessive, and it requires a substantial contribution by the local community. However, it represents an investment by the Federal Government that can act as a stimulus to economically distressed areas.

Mr. Chairman, this legislation has been overwhelmingly supported by this body twice before. Four years ago, in the 97th Congress, it passed by a vote of 281 to 95; and 2 years ago, in the 98th Congress by 306 to 113.

Two weeks ago, an amendment designed to terminate EDA by striking funding from the fiscal year 1986 appropriations bill, was soundly defeated 315 to 98. The strength of that vote is a clear indication of the high value placed on this subregional economic development program by the Members of the House.

The bill we bring to the floor today, for the third time, would vastly improve the existing programs, gearing them to meet current economic conditions and needs in local areas. I urge continued overwhelming support for H.R. 10 as a strong signal to the other body that we believe these programs are important and should continue to play a role as a catalyst for economic development in our Nation.

□ 1300

The CHAIRMAN. The gentleman from New York [Mr. NOWAK] has consumed 10 minutes of his allotted time.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER], the ranking member of the subcommittee.

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

Mr. Chairman, Emporium, PA, is a small town of 2,800 people nestled in a valley in the Allegheny Mountains and near the New York State line. It is part of Appalachia. It is struggling. The unemployment rate has been in double digits for a number of years; coming down, but not fast enough. Emporium was the birthplace of the Sylvania Electric Products Corp. which, until the late 1970's, was the principal employer, at one time employing over 3,000 people. When, in the late 1970's, a Dutch company, Philips, bought the plant and within months began to phase out all operations. Today, there are only about 80 people employed there. Most of the buildings in the complex are either idle or empty.

But Emporium and its people have not been idle. They have embarked on an ambitious program of economic development. An access road was built to a previously inaccessible site which allowed a local pressed metal plant to expand, creating desperately needed new jobs in the area. The county hired a dynamic young economic development specialist who has been aggressively pursuing ways to attract new jobs and preserve existing ones. Working with the local regional development and planning commission, the community leaders have developed an ambitious but realistic plan for turning their town around. They have already had success with their tourist promotion program.

It is great hunting and fishing country. They are planning to target small to medium companies involved in timber production and the manufacture of wood products. They are surrounded by a lot of timber, forests, very good timber prospects. Most exciting is their plan to take over most of an abandoned Sylvania-Philips plant and convert it into an industrial incubator. They already have five firms committed to move into this complex when it is completed and inquiries from a dozen more. They are raising industrial development money locally. The local banks are involved. A retraining program for workers is underway. Things are definitely looking up in Emporium, PA.

My point is that none of this would have been possible without EDA and ARC. It was the expertise which is available at the North Central Regional Development and Planning Commission funded, in part, by EDA and ARC that enabled them to develop a workable plan, and EDA helped build the access road, which created jobs at the pressed metal plant. EDA is also going to be a partner in developing the industrial incubator which I mentioned.

Mr. Chairman, a small town like Emporium cannot do it alone, but with modest, and I do mean modest, commitments on the part of the Federal Government through the Economic Development Administration and the Appalachian Regional Commission, this assistance, this very modest assistance, coupled with the town's own considerable human resources and its modest financial resources, Emporium is going to make it. It is going to come back. The alternative, Mr. Chairman, was to continue the slow process of withering and dying.

Emporium is not unique. There are countless small towns and cities across the land which have been helped to survive and literally survive and prosper through minimum support from EDA and ARC. They are doing productive work, and that is important, they are creating meaningful jobs, and these are not make-work jobs they are creating, they are not propping up failing industries. The money is going to industries which have a real potential for growth, a real potential for competitiveness, not only domestically but internationally. And that is why, Mr. Chairman, I rise in such strong support of H.R. 10, the National Development Investment Act. I would first like to commend my chairman, Mr. NOWAK, for his outstanding leadership of the Economic Development Subcommittee and for his bipartisan stewardship of the legislation that is before us today.

Mr. Chairman, I also want to commend Chairman JIM HOWARD and the ranking member, Mr. SNYDER, for their leadership and cooperation as well. I feel genuinely fortunate to serve on a committee that has such a long tradition of bipartisan cooperation.

Mr. Chairman, as our chairman indicated, H.R. 10 significantly reforms two Federal assistance programs, the Economic Development Administration and the Appalachian Regional Commission. In the first instance, H.R. 10 completely rewrites the current eligibility and assistance criteria under the EDA, an area under present legislation which in my view has been rightly criticized.

It eliminates the troublesome loan and loan guarantee programs, another sensitive area for these agencies which has not been as effective as others and instead relies solely on grants as a means of assisting local economies. In addition, Federal participation in local development projects would be limited to more than 50 percent. This legislation also imposes a new set of eligibility standards for EDA applicants. Under current guidelines, once a community has attained eligibility as a distressed area, it can use that designation for future applications without regard to changes in the local economy. As many critics of the EDA well know, and as stated on this floor, at present more than 80 percent of our country is deemed distressed and is consequently eligible for EDA assistance and this is clearly not an acceptable situation, which is why H.R. 10 addresses this very critical point.

H.R. 10 indeed changes all that. It abolishes reliance on historic designations and requires the community to establish eligibility with each and every application submitted. To qualify, a community must meet one of three very simple criteria based on unemployment, per capita income, or the prospect of sudden and severe economic dislocation such as a plant closing.

I think it can be safely said that the economic recovery has not been felt in all areas of this country. I am sure most every Member has a few communities that suffer, a community or two that has suffered from persistent and still suffers from persistent high unemployment in spite of the general national improvement in our economy. In view of this situation, it is my firm belief that we need to retain a pro-

gram such as EDA in place to those areas who, for reasons beyond their own control, cannot keep pace with the rest of the country.

With regard to the Appalachian Regional Commission, H.R. 10 adopts the 5-year close-out program endorsed by the Governors of the 13 States, bipartisan support, of the Governors of the 13 States participating in the ARC. It also transfers the ARC Highway Program to the Department of Transportation.

Mr. Chairman, legislation, as has been indicated, very similar to H.R. 10 has passed the House by overwhelming margins in the two previous Congresses. The bill before us today was reported by unanimous voice vote of the full Committee on Public Works and earlier this month, the House demonstrated its support for EDA defeating an amendment by a 3-to-1 margin to the State, Justice, Commerce appropriations bill to eliminate program funding.

Over the past 4 years, Mr. Chairman, we have seen a number of federally funded local assistance programs slated for reduction or elimination. The community development block grant, urban development action grant, and revenue sharing are three examples.

It is my belief that we in the Congress should maintain a Federal assistance program aimed at helping communities who are genuinely distressed and who have nowhere to turn for assistance and who are willing to make a significant contribution on their own part to turn around their own fortunes. The EDA is such a program, a program dedicated to creating private-sector jobs which are going to aid and enhance the overall economy and it is my hope that we will continue to support it again today.

I urge my colleagues to support H.R. 10.

Mr. Chairman, I reserve the balance of my time.

The CHAIRMAN. The gentleman from Pennsylvania [Mr. CLINGER] has consumed 7 minutes of his 30 minutes.

Mr. NOWAK. Mr. Chairman, I yield 3 minutes to my colleague, the gentleman from New York [Mr. LAFALCE], the chairman of the Subcommittee on Economic Stabilization.

Mr. LAFALCE. I thank the gentleman for yielding time to me.

Mr. Chairman, I rise today in support of H.R. 10, the National Development Investment Act. This bill would authorize the continuation of economic development programs initiated under the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, while making some needed changes designed to make both programs more efficient and effective.

Since 1981 these programs have been under direct assault from the Reagan administration, and on September 30, 1982, their authorizing legislation was allowed to expire. Although the House, by substantial margins, passed new authorizing legislation in both 1982 and 1983, the Senate failed to join in these actions. This scenario will likely be repeated again this year, as we have reason to expect that the Senate or the White House will drop their objections to this bill.

Despite this legislative stalemate, the programs have continued through the appropriations process. This has been, at best, a stopgap solution which has created uncertainty among potential grant recipients and prevented the implementation of the meaningful reforms contained in H.R. 10. Several regions of the country have been left largely untouched by the overall economic recovery, which now appears to have stalled. The time is ripe to pass authorizing legislation which addresses this situation.

Notwithstanding the existence of serious economic problems throughout the country which require our attention, the administration has called for termination of both the EDA and the ARC. In explaining its opposition, the administration has argued that the EDA, in recent years, strayed too far from its original mission, and was not effectively targeted to assist those areas experiencing the greatest need.

Some of these criticisms are well taken, and I, myself, have had some past misgivings regarding the untargeted nature of these programs and the sometimes political nature of the decisionmaking process. But the administration has conveniently chosen to ignore the EDA's and ARC's substantial record of achievement. These programs have leveraged billions of dollars in private capital, saved or created approximately 2 million private sector jobs, returned billions in tax receipts to the Treasury, and improved the economic situation of some of the Nation's most distressed regions. We are not resting solely on this record of success, however. H.R. 10 also attempts to address and correct the very weaknesses which have provided ammunition to the programs' critics.

While retaining many of the same tools available under the old act, H.R. 10 establishes tightened eligibility criteria which are designed to ensure that Federal development funds reach only those most deserving of assistance. No longer, as under current law, will distressed areas be automatically eligible for grants, but applicants must demonstrate distress criteria for each application. But need is not the only factor to be considered. Grants are to be made only to those applicants which offer a genuine prospect of achieving long-term economic growth. The ad hoc project-by-project approach prevalent under existing law will be replaced by strategic planning, which emphasizes mutually supporting projects that offer the promise of harnessing existing resources and the development of a sound economic base.

H.R. 10 also recognizes that economic development cannot be promoted from above, but requires intense local involvement in the planning and decisionmaking process. It also requires substantial coordination and cooperation between all levels of government and the private sector. Private sector linkage is a principal characteristic of this legislation. Priority is to be given to those projects which promise significant private sector involvement. Indeed, Federal funds cannot account for more than 50 percent of project costs, which ensures that the project has the support and commitment of all interested parties. Stringent monitoring provisions provide the necessary degree of accountability to guarantee that the programs do not stray from these goals.

These changes meet the stated concerns of EDA's and ARC's critics. Yet, the administration opposition actually extends far beyond the specifics to the very nature of the program itself. The administration has argued that these programs are anachronistic given today's fiscal situation, and that they reflect outdated regional targeting economic policies which serve no national economic purpose.

Nothing could be further from the truth. Rather than being anachronistic, programs of this type are particularly relevant in these times of stagnant and uneven economic growth. They can, if well managed, play a critical role in enhancing the competitive position of our industries and those distressed regions and localities which bear the brunt of structural change.

A strong national economy depends on the cooperation of self-sufficient and productive local and regional economies—economies that have both stability and sufficient flexibility to deal with the technological and structural changes which accompany and facilitate national growth. Increased competitive pressure has made it particularly essential that we adopt institutional mechanisms to overcome and adapt to economic dislocations so as to maintain the competitive position of our economy. There is, therefore, a continuing urgency to retain targeted economic programs to assist some of our most distressed areas in their efforts to diversify their economies, to adjust to necessary changes, and to rejoin the Nation's economic mainstream.

Although I am concerned about EDA's failure to address the adverse impact of increasing international competition on large segments of our economy, these programs symbolize the concept of the public-private en-

trepreneurship which must be kept alive if we are to eventually restore the Nation's international competitiveness.

While H.R. 10 goes a long way in remedying the past problems associated with these programs, alone they will be insufficient to the task. The Subcommittee on Economic Stabilization, which I chair, has proposed several complementary initiatives necessary to revitalize the economy. These proposals include the creation of a Council on Industrial Competitiveness, a Bank for Industrial Competitiveness, a secondary mortgage market for industrial loans, and an advanced technology foundation. If passed, these measures would facilitate public-private cooperation, provide necessary seed capital to potentially viable businesses, and ensure the enhancement of our industrial competitiveness. These proposals, along with those contained in H.R. 10, as well as sound fiscal and monetary policies, constitute the elements of a well-rounded policy which can successfully promote the international competitiveness of our economy.

I am particularly pleased that H.R. 10 incorporates several amendments advanced by the Subcommittee on Economic Stabilization. These amendments, among other things, ensure that the funds granted under this program could not be used to assist plants and business establishments merely to shut down in one area and move to another, and would require the Secretary of Commerce, working with the Secretary of the Treasury, to conduct a study during the first year of this program to determine what it would cost to construct and repair certain public works facilities to bring them up to present service level needs.

Because H.R. 10 incorporates these changes, and in order to expedite consideration of this important legislation, the subcommittee chose not to exercise its jurisdiction over EDA to conduct further hearings during this session of Congress. If, however, H.R. 10 meets the same fate as its predecessor versions have in the Senate, as I regrettably anticipate, the subcommittee will work actively to ensure that EDA does not totally ignore the thrust of these proposed reforms, and to develop, as part of an overall industrial competitiveness strategy, legislation which addresses these vital concerns.

This legislation will harness both public and private resources in such a way as to promote economic growth in those regions of our country most in need of assistance. I urge the House to adopt H.R. 10 as a necessary part of a larger program to revitalize our economy.

Mr. Chairman, I urge support of the bill.

Mr. CLINGER. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio [Mr. WYLIE], the ranking member of the Committee on Banking, Finance and Urban Affairs, which has joint jurisdiction over H.R. 10.

Mr. WYLIE. I thank the gentleman from Pennsylvania for yielding this time.

Mr. Chairman, who can disagree with the objectives and intentions of H.R. 10, the promotion of economic development in distressed areas of our Nation? And I hate to disagree with my respected colleagues, Messrs. NOWAK, CLINGER, HOWARD, and SNYDER, but the best intentions cannot and should not be the basis of legislation. At best, such legislation is illusory and through short-term propup development projects fails to recognize long-term marketplace realities.

At worst, it flings wide open the door to pork-barrel abuse and increases our ever-worsening Federal budget deficit. H.R. 10 is the primary example of well-intentioned, yet badly flawed, legislation.

The EDA's original mandate was to save jobs by lending to hard-pressed businesses in poor rural areas. In 20 short years, however, that mandate has been knocked out of kilter. Eligibility requirements have been broadened to the point that all but 19 of 435 congressional districts are now deemed to be "economically distressed" and eligible for loans. Even New York's Westchester County, one of the wealthiest areas in the country with a median family income of over $27,278 a year, makes the hit parade of distressed areas.

Moreover, EDA's lending program has not left a legacy of new jobs or economic activity. Instead, its track record reflects a plethora of problems, including mushrooming loan losses costing an estimated $400 million and imprudent agency underwriting and management of loans, which themselves are thinly veiled—yet classic—pork-barrel projects. According to a 1984 report by the Commerce Department's inspector general, many of EDA's loans never achieved their intended economic impact, many of the loans should never have been made, and, in fact, at least one-third of those loans examined were "manifestly imprudent" and made with the prospects of repayment that were "dim to nonexistent."

I must question why we would continue a program which, in essence, has failed so miserably and now provides outright subsidies for inefficient borrowers. Is this any way to run a program? I think not.

The Federal Government does not have the knowledge or expertise to conduct successful economic development programs, such as that envisioned in this bill. Unlike State and local governments, the Federal Government cannot fully comprehend how to stimulate local economies or fill voids resulting from regional disparities and transitional economies. Federally created programs also carry with them the baggage of extraordinary overhead costs which, when combined with State and local government costs, outweigh any benefits of these programs.

Finally, and most importantly, we cannot ignore the fact that with mounting Federal deficit, we simply cannot afford the luxury of programs such as the EDA that have little, if any, record of success. I am convinced that the only really way to improve local and regional economies is through control of Federal spending and continued economic growth.

A broad-based economic recovery is well within our realm. Indeed, the economy has been expanding, reducing unemployment and increasing economic activity across the Nation.

The single greatest threat to this, however, is the specter of the monstrous Federal budget deficit. Born of our profligacy at home, the deficit has produced real high interest rates, an overvalued dollar, and an ever-increasing trade deficit. All of these results adversely impact our economy and particularly the distressed sectors.

We, the Members, must resolve the budget deficit issue first. We cannot substitute it with other remedial measures which, however laudable they may be, will contribute to—indeed, exacerbate—the very problems which are largely responsible for our current economic difficulties.

I understand that an amendment will be offered by the gentleman from Pennsylvania, Mr. CLINGER, to reduce the funding in H.R. 10 as reported from the Public Works Committee and I applaud that effort. The more crucial vote, however, will occur when we vote on final passage, for it is there that the Members will have a clear opportunity to vote decisively to reduce the Federal budget deficit on our first day back from the August district work period.

Mr. Chairman, our former colleague, Clarence "Bud" Brown, now the Deputy Secretary of Commerce, has urged that we eliminate the EDA and begin "the painful effort to eliminate nonessential Government spending." Bud Brown is right, in my opinion: The EDA at this time represents nonessential Government spending. For this reason, I urge my colleagues to vote "no" on final passage of H.R. 10.

□ 1320

Mr. NOWAK. Mr. Chairman, I yield 2½ minutes to the gentleman from West Virginia [Mr. WISE], who is a great contributing member of this committee.

Mr. WISE. Mr. Chairman, I rise in support of H.R. 10, to reauthorize the Economic Development Administra-

tion and the Appalachian Regional Commission. As my colleague from New York, Mr. NOWAK, knows, I am an original cosponsor of this legislation.

One project in West Virginia that is funded by the ARC highway program deserves special note—Corridor G in central and southern West Virginia. So far, 51 miles of the highway have been completed, and 5 miles are currently under construction, which leaves a balance of 24 miles to finish the whole project. Without this authorization, the $429 million needed to complete Corridor G would not be forthcoming. Corridor G is vital if my State is to have the transportation system necessary to open up the entire southern section of the State for continued economic development.

This bill is important for a number of reasons. Yes, it creates some primary jobs for the unemployed; yes, it actually saves Federal and State Governments money because of the reduced need for unemployment and welfare programs; but most importantly, the assistance that ARC and EDA provides the States will help us help ourselves. It provides tools to build permanent structures. In my view, a job opportunity is a moral imperative, and this bill will provide the opportunities to create thousands of meaningful jobs for our unemployed citizens.

Is the job done?

An editorial in the Charleston, Gazette, August 25, pointed out that there has been much said and printed about the advances that Appalachia has made in the past 25 years since the ARC was begun. There have been gains, but the work is not completed. Hardship, low income, and low education still are widespread in some regions of Appalachia. For instance, 40 percent of the residents of one county do not have drinking water in their homes. Two months ago, Standard and Poor lowered the rating on $773 million worth of outstanding bonds in West Virginia from AA+ to AA− citing "lingering hard times." Seven million net jobs have been created in the country since 1980, but Appalachia has lost 26,000. Per capita income is 75 percent of the national average in Appalachia.

Both the ARC and EDA have touched almost every county in my State. The funding has helped communities like Elizabeth, Summersville, Charleston, Sutton, Clay, Spencer, Gassaway, and almost every town in my district with such things as highways, vocational schools, clinics, libraries, ambulances, sewer systems, road repaving, airport expansion, technical development and planning, hospital construction, and basic community development.

Mr. Chairman, the ARC is a commitment that is not yet fulfilled. There has been improvement; there is even more to do. No one in Appalachia wants a handout. We aren't looking for a great Federal hand to wipe away our problems. We'll do it ourselves. What the ARC does is put some of the tools in our hands to improve greatly the hardest-hit regions of Appalachia. We're not talking about frills, Mr. Chairman. We're talking about safe water in rural areas, health care and roads. The cost—$121 million next year—more than $20 million less than was spent last year. We're determined to bring to Appalachia the same standard of living, the same opportunities enjoyed by so much of the country. We're asking that the ARC be permitted to continue that important work.

Mr. Chairman, every 1 percent in the national unemployment rate adds $30 billion to our Federal deficit. I view this legislation as deficit reducing, and killing two birds with one stone. Sure, just like every other Government agency that I know of, and many private businesses and corporations, ARC and EDA have had some "flops" in investment—but let's not throw out the baby with the bathwater.

I urge my colleagues to maintain the funding levels in this legislation for ARC and EDA, and to vote in favor of the bill.

Mr. CLINGER. Mr. Chairman, I yield such time as he may consume to the gentleman from Arkansas [Mr. HAMMERSCHMIDT], the senior member of the Committee on Public Works and Transportation and a long-time member of the Economic Development Subcommittee.

Mr. HAMMERSCHMIDT. Mr. Chairman, I thank the gentleman for yielding time to me, and I also thank him for the expertise and the long-time effort he has made on H.R. 10 and the economic development of our Nation.

I also want to recognize the leadership of the gentleman from New York [Mr. NOWAK] and the fine product that he and the gentleman from Pennsylvania [Mr. CLINGER] brought to the floor.

I also want to commend our distinguished chairman, the gentleman from New Jersey [Mr. HOWARD] and the ranking member of the full committee, the gentleman from Kentucky [Mr. SNYDER], for their cooperation.

Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act, which would reauthorize programs of the Economic Development Administration and the Appalachian Regional Commission.

Communities throughout this Nation, and especially in rural America, have benefited enormously from the assistance provided through these programs. The financial investment in Federal economic development assistance has actually been quite modest, but the return on that investment has been outstanding when measured in terms of job creation and retention.

The Federal role in assisting distressed communities in their efforts to rebuild their public infrastructure and provide basic public services is an altogether proper one, in my judgment, and should be continued. It would be a terrible mistake to assume that all areas of the country have been able to participate fully in our national economic recovery. Pockets of poverty still exist. The needs are still there in so many of our rural communities.

While I firmly believe that we need a Federal program to help distressed communities and while I recognize the outstanding record of the Economic Development Administration, I am mindful of the legitimate criticisms of how the program has been structured. H.R. 10 seeks to address those criticisms with some significant reforms in the EDA Program and its application.

One of the major problems confronting the EDA grant program has been its overly broad eligibility criteria, which literally allowed some 80 percent of the country to be eligible for a limited amount of Federal funds. That had to be changed, and H.R. 10 does just that, and in the process, reduces the portion eligible for assistance nationwide to about 44 percent.

By limiting eligibility, the bill targets the limited number of Federal dollars to those areas with the greatest need. The new eligibility criteria would also ensure that such areas would receive the money, provided their programs are success oriented.

Applicants would no longer submit requests for funding for specific projects, as is the current practice. This project-by-project approach would be replaced by a requirement that applicants present an investment strategy, for which the Federal Government would provide 75 percent of the cost.

The strategy required would be comprehensive, covering a broad range of information, including a cost-benefit analysis of projects envisioned and the identification of past, present, and projected investments by private and public sector participants.

This legislation places great emphasis on private sector involvement. The private sector is the mainstay of our economy and the proper place for the vast majority of permanent meaningful jobs—and that, of course, is what we want Federal economic development assistance to produce.

H.R. 10 will also bring some order to chaos where the EDA loan program has been concerned. This legislation provides only grants. It takes the Federal Government out of the loan business, which has been a source of criticism because of the large number of loans in default and on the brink of default.

The bill authorizes the establishment of a revolving loan fund at the State level for use by small business. Placing the administration of the loan program in local hands makes much more sense, since a better assessment of who should receive loans and a better monitoring program can be carried out at the local level.

H.R. 10 also provides for a gradual phaseout of Appalachian regional development programs, consistent with the recommendations of the Appalachian Governors. We authorize ARC's nonhighway programs through 1990 and finish-up funding for its priority highway program through 1992, when completion of construction is expected.

Finally, Mr. Chairman, this bill is not a budget-buster. The amendment to be offered by the Public Works and Transportation Committee, on which I serve, will lower the authorization levels to those assumed in the first concurrent resolution on the budget for fiscal year 1986 adopted by this body in August.

I believe that the bill before this House is a good bill, carrying a reasonable and modest authorization level, consistent with budgetary restraints, and one that should not satisfy many of the objections to program as it is currently administered.

Mr. NOWAK. Mr. Chairman, I yield 1 minute to the gentleman from Ohio [Mr. TRAFICANT].

Mr. TRAFICANT. Mr. Chairman, I first want to commend the gentleman from Minnesota [Mr. OBERSTAR] and the gentleman from Pennsylvania [Mr. CLINGER] for bringing this particular legislation forward, of which I am a cosponsor, and also to Mr. NOWAK for the specific leadership he showed.

Mr. Chairman, I want to address another area of the legislation. This proposal assists local governments in developing a strong and viable economic case to support growth and expansion, while at the same time, giving our local officials the necessary flexibility needed to choose the course of action best suited to their local economic needs.

Ladies and gentleman, that is a very important part of this particular project.

While some Members keep saying that the economic growth of our country will ultimately reverse our economic woes, ladies and gentleman, that is not working. H.R. 10 addresses itself specifically to problems of depressed communities such as mine, the 17th District of Ohio, that lost all its steel mills and has one of the highest unemployment rates in all of America.

One thing this will do is it will develop jobs to address infrastructure needs. I am very strongly in support of this. I am hoping that there would not be any cuts in the money that is made available to it. We would go forward with it because our major problem right now is jobs and trying to spur that economic growth.

The programs we have talked about have not worked, and I commend our chairman and EDA for its efforts.

The CHAIRMAN. The Chair would advise the gentleman from Pennsylvania [Mr. CLINGER] that he has 17 minutes remaining and the gentleman from New York [Mr. NOWAK] that he has 13½ minutes remaining.

The Chair recognizes the gentleman from Pennsylvania [Mr. CLINGER].

Mr. CLINGER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Maryland [Mrs. BENTLEY].

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

Mr. Chairman, today I urge my colleagues of the U.S. House of Representatives to continue in their fight to control the deficit by supporting legislation that fosters economic development, creates jobs, and promotes a strong national economy. A vote for H.R. 10, the National Development Investment Act of 1985, is a vote to invest in the economic development of America and help reduce the Federal deficit.

As has been pointed out already today by the able chairman of the Economic Development Subcommittee, Mr. NOWAK, the able ranking minority member of the subcommittee, Mr. CLINGER, and the outstanding chairman of the House Public Works and Transportation Committee, Mr. HOWARD, H.R. 10 is designed to provide vital direction and necessary incentives to areas of a depressed economy to create and retain jobs in the United States. Economic self-sufficiency through the private sector is the objective of the National Development Investment Act of 1985. With the current trend of an eroding industrial base in America as a result of foreign competition and an increase of imports, we need legislation to support jobs for Americans.

A section of my home district, adjacent to the city of Baltimore, MD, has been severely affected by the closing of several industries. Unemployment is at an all time high. Unfortunately, this is not a unique problem. Areas throughout our Nation are suffering from industries being forced to close down and the result is unemployment and a depressed economy. With the passage and enactment of the National Development Investment Act of 1985, the Economic Development Administration will continue to provide direction and incentives for economic growth and self-sufficiency through private sector jobs to economically depressed areas.

Enactment of H.R. 10 will establish locally administered revolving loan funds to assist small businesses or retain existing businesses which promote development and create jobs. An effective implementation of the National Development Investment Act will be instrumental in achieving a more competitive U.S. market in international trade. Passage of H.R. 10 is a step closer to a balanced trade.

When this Congress votes to appropriate the National Development Investment Act of 1985, it will be voting to do just that, make a wise investment in our Nation for economic development. Again I urge my colleagues to vote for H.R. 10, the National Development Investment Act of 1985.

□ 1330

Mr. NOWAK. Mr. Chairman, I yield such time as he may consume to the gentleman from Missouri [Mr. YOUNG].

Mr. YOUNG of Missouri. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act. I wish to commend the gentleman from Minnesota [Mr. OBERSTAR] and the ranking minority member, the gentleman from Pennsylvania [Mr. CLINGER], for their leadership and perseverance in introducing this bill. I would also like to thank the chairman of the full committee [Mr. HOWARD] for his crucial role in determining the swift consideration of this urgently needed legislation.

H.R. 10 recognizes that economic assistance should be directed to distressed communities. The current economic crisis cannot be addressed solely at the national level. Each local community is unique, with different resources and different needs. Any program of national economic recovery must depend on the interdependence and cooperation of regional and local economies. I believe that now, more than ever, there is a great need for targeted economic programs to assist some of the most economically distressed areas in our Nation.

Mr. Chairman, in Missouri an urgent need exists for infrastructure repair. Many of our public facilities—our bridges, our roads, and our sewer systems—await the physical improvements necessary to make them viable for the long term. Unemployment and a sustained period of high interest rates have placed financial constraints on all communities. The creation of new jobs, assistance in the growth of local businesses, and the construction and maintenance of infrastructure systems have been deferred for too long. But money spent now in conjunction with the private sector is an investment in our future. In my own district, whether the funds are directed toward street improvements in Kinloch or St. Louis County, or the construction of a new community center in Wellston, or support for local shoe manufacturing

companies, these funds will invigorate the local economies which in turn will contribute to national recovery.

Mr. Chairman, if local economies continue to deteriorate, our national economy can only continue to falter. This bill provides funds for distressed communities; these funds are for those who cannot help themselves. Surely there is no more important role for the Federal Government to play and no role which has as great a potential for our Nation as this.

I urge my colleagues to support this bill.

Mr. NOWAK. Mr. Chairman, I yield such time as he may consume to the gentleman from Tennessee [Mr. COOPER].

Mr. COOPER. Mr. Chairman, I rise in strong support of H.R. 10, especially title II which reauthorizes the programs of the Appalachian Regional Commission [ARC].

When the ARC was established in 1965, the people of Appalachia lagged far behind the Nation in nearly every important socioeconomic measurement.

Average per capita income in the region was a third below the national average.

One in every three families lived below the poverty level.

Unemployment was 40 percent higher than the national norm.

More than a quarter of the housing in the region was in need of major repair with many posing serious health hazards.

The incidences of infectious disease were a third higher than for the rest of the Nation.

Most communities had rudimentary sewer and water facilities with outdoor plumbing all too common.

Indeed, conditions deviated so far from the national norm, that some sections of Appalachia more nearly resembled life in a developing country than in the United States. The seriousness and pervasiveness of the problems clearly justified a strong coordinated effort. Thus, the ARC was established.

The Appalachian Regional Commission through a wide variety of programs has played an indispensable role in narrowing the huge gap that existed between life for many in Appalachia and life in the rest of the country. The Commission has funded health planning agencies and innumerable health demonstration projects. It has helped establish a network of vocational education programs and job training centers. The Commission has helped improve the quality of housing in the region as well as, help assure its affordability.

Just as important as the Commission's investment in the human potential of the region, has been its efforts in improving the infrastructure of the region. As a result of the Commission's foresight, an assorted collection of nearly impassable dirt roads and inaccessible mountain terrain has given way to a system of modern highways and connecting roads.

The progress of the last two decades is easily measured. Nearly half a million new jobs grew up around the new highway system and more than 2 million jobs overall have been created through both public and private investment. There have been dramatic increases in educational attainment at every level. The infant mortality rate has declined steadily in line with the rest of the Nation. And, primary health care is now available in most counties.

Yet as impressive as the Commission's efforts have been thus far, its successes have only been partial. Far more must be done.

Nearly 60 of the region's counties are still without any form of primary health care. More than 1,000 miles of the planned highway system remains unbuilt. While showing significant improvement, infant mortality, educational achievement, and the quality of housing still lag noticeably behind the rest of the Nation.

In short, Appalachia is still far poorer than any other region of the country.

Perhaps more importantly, the 1980's have exposed the overall vulnerability of the region's economy. That economy is anchored by durable manufactured products like footwear, textiles, and apparels. These industries have proven to be highly vulnerable to foreign competition. In fact, a great number of plants in these industries have already closed down throwing thousands of people out of work.

And, coal, still an important part of the region's economy, has experienced a steep fall in demand due to energy conservation and falling world oil prices. Some areas of the region heavily reliant on coal, still have unemployment rates at recession levels. The competitiveness of coal which depends in large part on the development of new technologies to increase productivity, carries a bleak prospect for future employment.

Indeed the relative decline of the industries which form the backbone of the region's economy during the 1980's, threaten to undo many of the advances made over the last two decades. Today, Appalachia is still a region at risk and still in need of the Nation's help.

However, the people and leaders of the region are not blind to the exigencies of the day. We know that our pressing budgetary crisis demands resolution. The people of Appalachia are more than willing to share in the national effort required to bring discipline to our fiscal affairs.

As a demonstration of this willingness, all 13 Governors who comprise the ARC voted unanimously to phase out all ARC programs. The plan adopted called for scaling back previous plans in almost every area. The unfinished portion of the highway system would be cut in half. The delivery of needed health care to those counties still unreached would be limited to the most basic care, while upgrading of sewer and water systems would be provided only to the most distressed areas.

Mr. Chairman, we think that this phaseout plan constitutes a substantial sacrifice. We think that Congress should not ask more of the people of this region. We think that Congress should incorporate this plan which was agreed to on a bipartisan basis by the Governors of the region, into any authorizing legislation on the ARC.

Mr. Chairman, H.R. 10 does indeed embody the essentials of the Governors' phaseout plan. For that, I commend the gentleman from Minnesota [Mr. OBERSTAR] as well as the gentleman from New York [Mr. LAFALCE].

This House has, in fact, passed nearly identical authorization bills in each of the last 2 years only to see matters come undone in the other body. Since 1980, ARC, and EDA, have been legislated only through the appropriations process.

I am hopeful that this year we will see the actual enactment of H.R. 10. I believe that a strong vote of support by this House will help bring this about.

Mr. NOWAK. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. RAHALL].

Mr. RAHALL. Mr. Chairman, today, I would like to rise in strong support of H.R. 10, the National Development Investment Act. Included in H.R. 10 is authorization for the Appalachian Regional Commission, a program which has been instrumental in attempting to alleviate the devastating effects of poverty in Appalachia.

The role of the Federal Government in the economic development of rural areas, particularly Appalachia, was nonexistent before the commitment of President John F. Kennedy to revitalize these regions of the Nation. Since 1965, the ARC has continuously promoted much needed economic progress in Appalachia, decreasing the poverty level, boosting the level of income, slashing infant mortality rates, and increasing the number of doctors. Furthermore, private sector jobs have shown a marked increase and the level of education now approaches the national average. Progress has been made.

This progress could not have been made without the cooperative effort of government—on the local, State, and Federal levels—working in conjunction with the private sector, which includes many businesses and individuals who

are willing to invest in the future of their communities.

The father of the Appalachian Regional Commission in the other body, the former Senator Jennings Randolph, always termed these expenditures of money as investments in the future of America. And, indeed, that is truly what we are doing today, Mr. Chairman. I salute and thank Jennings Randolph for his staunch defense, and, indeed, offense, on behalf of ARC from its very inception when Jennings Randolph led many a fight for ARC in the White House itself.

While dramatic improvements have been made, Appalachia still suffers disproportionate socioeconomic hardships. My home State of West Virginia continues to be burdened with the highest unemployment rate in our Nation. The people of Appalachia struggle not only for jobs but for the daily necessities others take for granted. Many people in Appalachia are still poor today. There is much that remains to be done.

The contribution of government to the economic development of rural areas is to be commended. But we cannot stop now. The problems still exist. The phaseout funding provided for the ARC in H.R. 10 is imperative for the continued improvement in the quality of Appalachian life. Without these funds, not only will improvements cease, but the positive effects of past progress will be lost to inevitable regression. I urge you support of H.R. 10.

Mr. CLINGER. Mr. Chairman, I yield 3 minutes to the gentlewoman from Connecticut [Mrs. JOHNSON], a member of the subcommittee.

Mrs. JOHNSON. I thank the gentleman for yielding.

Mr. Chairman, as a strong supporter and cosponsor of H.R. 10, both in the last Congress and in this, I want to congratulate the subcommittee chairman, the gentleman from New York [Mr. NOWAK]; the former subcommittee chairman, the gentleman from Minnesota [Mr. OBERSTAR]; and my colleague, the gentleman from Pennsylvania [Mr. CLINGER], on again coming forward with a very fine and responsible rewrite of an important program whose purpose it is to provide employment in the areas of high unemployment throughout this Nation.

We often talk about structural change. All of us deal day in and day out with industries in America that are having to reduce dramatically their levels of employment, whether it is for technological reasons, foreign competition, or whatever. Industry in America is changing, and what we call structural change is affecting the lives of the people that we represent.

What is so outstanding about this program is that it provides the material support for communities to make that change from one employment base to another employment base.

In my district, it is machine tools, it is bearings, it is brass that are no longer what they used to be, and EDA grants have helped my communities create industrial parks, do the site work, in other words, create the circumstances through which that community can attract those employers of the future to employ the old brass workers, the old machine tool workers, the bearing factory workers, so that their skills can be utilized in creating a dynamic economy in this Nation for the decades ahead.

This is the guts of structural change, the Government's role in the lives of the people of this Nation creating job opportunities, job security and economic vitality in the decades ahead.

I commend my colleagues on a very fine piece of legislation, and I would like to note that the amendment will bring the spending down to conform with our first budget resolution. I hope this bill pass by the same resounding majority that it passed by in the 98th Congress.

Mr. NOWAK. Mr. Chairman, I yield such time as he may consume to the Delegate from the District of Columbia [Mr. FAUNTROY].

Mr. FAUNTROY. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act, which would authorize $500 million in each of fiscal years 1986 through 1988 for a new Economic Development Program which would replace the present Public Works Grant Program.

I also understand that an amendment will be offered on behalf of the Public Works and Transportation Committee to bring the authorization levels provided under this legislation for the Economic Development Administration and the Appalachian Regional Commission into compliance with the assumptions contained in the first budget resolution for fiscal year 1986 (S. Con. Res. 32), and to provide such sums as are necessary for the programs of both agencies in the additional fiscal years.

Mr. Chairman, it is vital that we pass this legislation which would continue and improve upon Federal programs that have created jobs, provided targeted assistance to areas of our country that have suffered from long-term levels of high unemployment.

While it is true that some in our Nation have benefited from the economic recovery in recent years, there are many regions and many people that have been bypassed and have not been beneficiaries in the recent economic resurgence.

These still depressed regions lack the capital and the financial institutions to participate in the economic recovery. What is and has been needed is a stimulating mechanism such as the Economic Development Administration. The EDA has been a stimulating force providing an incentive to investment, creating jobs and returning tax dollars to our Federal Treasury.

Within the District of Columbia, the Economic Development Administration has been of great benefit. The first revolving loan fund for small and disadvantaged business was provided by the EDA. The District of Columbia's only municipal industrial park is being funded by the EDA. These two projects are providing much needed assistance and employment opportunities for the all too many unemployed and underemployed citizens of the Nation's Capital. The District of Columbia is also looking for the EDA to assist with the development of import and export enterprise.

Mr. Chairman, I am also pleased that H.R. 10 addresses the two substantive criticisms that have been made of the EDA. Under H.R. 10, assistance would be targeted only to the most depressed areas of our country. For example, States, local governments, economic development districts, native American tribes, nonprofit organizations inside cities or counties in areas of economic distress, would be eligible for Government assistance if the area met one of the following three criteria:

A per capita income of 80 percent or less of the national average;

An unemployment rate 1 percentage point above the national average for the previous 2-year period; or

A sudden or anticipated increase in unemployment due to plant closings, or other major economic dislocation.

H.R. 10 also corrects a problem identified in the Loan Program by putting the direction of that program at the local level, where administration of that program can be better executed.

The National Development Investment Act serves the national interest and I urge my colleagues to support its passage.

Mr. NOWAK. Mr. Chairman, I yield 1 minute to the gentleman from Pennsylvania [Mr. KOLTER], a member of the subcommittee.

Mr. KOLTER. Mr. Chairman, I rise in support today for H.R. 10, the reauthorization of the Appalachian Regional Commission and the Economic Development Administration.

Since enactment of the law creating the ARC and the EDA, all of Appalachia—including my district, the Fourth Congressional District of Pennsylvania—has experienced a steady climb from the dark Appalachian days of the 1960's toward a more fair share of our Nation's prosperity.

Through the years, both the ARC and the EDA have proved themselves as viable programs that are capable of giving assistance to distressed areas, stimulating economies, improving overall health, and creating jobs for

countless thousands throughout the region.

With very restrictive funding, both the ARC and the EDA have achieved amazing results and their list of accomplishments are indeed impressive.

But beyond the facts and figures, statistics and rhetoric, lies the real reason to pass H.R. 10. In a word, that reason is—people. These programs have enriched their lives more than ever expected. And while the task is not yet done, the entire region has felt a ray of hope where none existed before.

We must continue our work to help the aged, infirm, illiterate, and unemployed. To do that, we cannot close the door of opportunity in the faces of those so desperately in need.

Mr. Chairman, I humbly ask that each of my colleagues support the National Development Investment Act and vote in favor of H.R. 10.

Mr. CLINGER. Mr. Chairman, I yield 3 minutes to the gentleman from Pennsylvania [Mr. RIDGE], a member of the Committee on Banking, Finance and Urban Affairs, with joint jurisdiction.

Mr. RIDGE. Mr. Chairman, I thank the gentleman for yielding time to me, and I congratulate the gentleman on his leadership with this particular initiative. I know that economic development has been a high priority for my friend and colleague from northwestern Pennsylvania, and I do appreciate his leadership on this issue as well.

Mr. Chairman, there remain congressional districts with communities that haven't seen single-digit unemployment since the mid-1970's, where local officials struggle with dwindling tax bases and greater economic and social pressure to provide more services, where plant closings are still a frequent reminder that the national recovery announced and praised in Washington has yet to be experienced and enjoyed everywhere.

The goal of a complete economic recovery encompassing the entire country, and not just portions of it, will not and cannot be realized if we ignore the plight of these communities. The need to address regional pockets of distress demands our attention and our response. The language of the committee report best describes the economic and legislative imperative to support the National Development Investment Act.

The hope and the potential of H.R. 10 can be seen in the successes of previous EDA and ARC programs in northwestern Pennsylvania. We are a Nation of regions, each with different resources. We are interdependent parts and each part has a cumulative effect on our overall national economy. A strong national economy depends on the cooperation of self-sufficient and productive local and regional economies—economies that have some stability yet sufficient flexibility to deal with the technological and structural changes which accompany and facilitate national growth. The committee believes there is a continuing urgency to retain targeted economic programs to assist some of our most distressed areas in their efforts to diversify their economies, to adjust to these changes, and to rejoin the Nation's economic mainstream.

In 1982, a small community, Girard, PA, with unemployment at a miserable 20 percent, decided to turn the liability of a vacant, industrial building into a productive community asset. With the untiring commitment of several retired businessmen and community leaders, local economic development specialists, private capital, and the catalyst of ARC and EDA funding, a small business incubator project was started. With approximately 1 million in Federal dollars generating $4.5 million in private investment, there are now several small businesses employing 140 people.

The Industrial Development Commission of another community, Meadville, PA, with 14 percent unemployment took a vacant and outdated industrial facility of nearly 250,000 square feet and, with an ARC planning grant and an EDA renovation grant, attracted 13 businesses to provide 450 jobs.

One final achievement. With an EDA grant of $500,000, the Northwest Pennsylvania Regional Planning and Development Commission set up a revolving loan fund similar in scope to that provided with this legislation. Eleven communities, all of which provide a local match, participate in this fund. To date, this money has leveraged five times as much private investment, which, in turn, preserved hundreds of jobs while helping to create another 200; 1 job for every $1,500 invested by EDA.

The past infusion of Federal money through EDA/ARC served as the primary economic stimulus to these communities, enabling them to assess and to attract public and private resources, as well as to achieve new growth. This will be especially true under the new requirement that localities provide a comprehensive development program for their communities. The development investment strategy required by H.R. 10 will force local governing bodies to evaluate their long-term resources and needs to develop mutually supportive projects and to invest in only the most productive projects. The development investment strategy will help to promote economic stability and will create regional and local economies capable of supporting investment and job creation in both urban and rural areas.

I commend my colleagues for including stricter eligibility requirements for assistance from the EDA. New requirements terminate the long-term designation of distressed areas. Localities must prove current economic distress so that areas that have successfully used Federal assistance to promote economic growth will not continue to receive these funds when they are no longer in need. The bill defines economic distress as unemployment 1 percent above the national average over the most recent 24-month period of per capita income 80 percent or less than the national average. Additionally, the assistance granted is confined to the distressed areas and cannot be used outside of those areas. This legislation provides an excellent targeting device which assures that the money will be used in communities that have not yet shared in the economic recovery we hear so much about on Washington, but have yet to experience in northwestern Pennsylvania.

Mr. NOWAK. Mr. Chairman, I yield 1 minute to the gentleman from West Virginia [Mr. MOLLOHAN].

Mr. MOLLOHAN. Mr. Chairman, I am pleased to once again lend my support to the National Development Investment Act which would reauthorize the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC] programs.

I voted for a similar bill in the last Congress, I intend to vote for H.R. 10 today, and I encourage my colleagues to join me in supporting these programs which can make a difference in creating jobs, bolstering our economy, and meeting community priorities.

Both EDA and ARC have made significant contributions to my district and to the State of West Virginia over the years. These programs have enabled cities and counties to develop essential public facilities—county courthouses, city buildings, water and sewer facilities, industrial parks and recreation areas.

Further, ARC's area development assistance to community health centers, hospitals, vocational education facilities, libraries, and housing complexes are responsible for major social and health gains throughout West Virginia. EDA's revolving loan fund has paved the way for new and existing businesses to create and retain jobs as well as to stimulate local economies.

Building interstate-grade highways in mountainous West Virginia is not easy, but ARC's highway development aid has been instrumental in furthering State transportation goals.

Let's get to the heart of the matter as far as ARC is concerned. ARC was conceived and is still necessary as an equalizer for West Virginia and other Appalachian areas. It is common knowledge that it costs more to build a highway, water or sewer facility, or other public project in a mountainous area.

Historically, it has cost $5.5 million to build a mile of interstate highway in West Virginia as opposed to $2.2 million nationwide. Currently, remaining ARC interstate highway planned in West Virginia will cost $12 million per mile and $9.5 million per mile for other interstate highway development throughout West Virginia. This simple comparison illustrates the overwhelming need to retain ARC assistance.

Therefore, I fervently support reauthorization, and I encourage my colleagues to join me in support of H.R. 10.

Mr. CLINGER. Mr. Chairman, I yield 5 minutes to the gentleman from Kentucky [Mr. ROGERS].

Mr. ROGERS. Mr. Chairman, let me commend, first, the authors of this bill for putting together this important legislation and working to get it to the floor. The EDA and the ARC programs have provided enormous assistance to an area that cannot get by without it, to this moment, at least, in the Appalachian area of our country.

This bill is now without some of the troublesome features which have led many to criticize these programs in the past.

Mr. Chairman, there are so many areas of our country that are right now enjoying the benefits of a solid economic expansion, in fact, the most vigorous expansion since World War II—lower interest rates, declining unemployment, fewer poverty-stricken families, general prosperity. And then there are some parts of the country, regions of our country, which know not of America's economic rebound. The people in those areas are still straddled with endemic unemployment, in pockets of poverty far beyond the national average, trailing in nearly every index of economic well-being and health. A good number of these are many of the people of my own district where unemployment reigns at over twice the national average and where in some countries the percentage of families in poverty rises up to 60 percent. They want economic growth. They have the private-sector resolve for economic growth, but they do not have the tax base that draws from the fortunes of industrial development that allows the local governments the revenues with which to build highways, with which to build water districts, with which to recruit industry, and so on. These areas desperately need highway access, the lifeblood, like the veins in the body, that brings nourishment to those areas, so essential to their development. And that comes by way of help from this National Government now through the ARC.

Surely, we owe these people the modest helping hand that comes from the EDA and the ARC. The object of these communities and these areas is private employment, not Government jobs, not Government handouts. They look for the time when they will be self-sustaining, with private jobs and private initiative. And those areas have made some progress in the last few years, thanks to the help of the National Government through the EDA and ARC. But both these programs also tie right in with private support, which pays for the badly needed infrastructure in our afflicted localities throughout Appalachia. Their effects are positive, long lasting, and vital. EDA funds in my district have helped build desperately needed water lines and, most recently, a rail spur which will permit the expansion of a factory, adding desperately needed new jobs. And this is one of the most important, I think, features of these programs, and that is to encourage and lend a helping hand to those communities who are attempting on their own to secure employment for their people.

ARC money has supplied the financial trigger for hospitals, sewer lines, highways, and the like—some of the most basic human services which would not exist in my district, certainly, without this kind of funding.

Yes, in the last few years, Appalachia has made some progress, thanks to Appalachian regional highways that brought life-blood to those areas and access for factories and other economic encouragement, such as coal, and others, and, yes, we have secured water lines to allow us to develop those living places that otherwise would be uninhabitable without life-feeding water, and we have been able to recruit some industry into the area other than our natural resource, coal.

But the job, as has been said here before, is only beginning. We simply must not cut off the aid that we have been giving to those areas to encourage them to spend their own money and to invest their own initiatives into the building of their own areas. They realize that if the answer is to come to their area, it has to come basically from them, but they need our help. I urge this body to approve this bill to reauthorize the EDA and the ARC programs providing enormous assistance to a people who cannot get by without it.

Mr. NOWAK. Mr. Chairman, I yield 1 minute to the gentlewoman from Tennessee [Mrs. LLOYD].

Mrs. LLOYD. I thank the gentleman for yielding.

Mr. Chairman, I rise in strong support of H.R. 10, and I commend my colleagues on the Public Works Committee for bringing this very valuable legislation to the floor. I just wish that half of the programs that this body authorizes could have the track record of the ARC and the EDA programs that really strike at the heart of a great American philosophy of helping Americans to help themselves.

To fully appreciate what EDA and ARC have meant to Appalachia you really have to have seen the region over the past 20 years. It is an area rich in natural resources but for generations, it was a region isolated by the very mountains that provided so much of its wealth. During the 1950's, steel and coal production were down. Argiculture had become marginal, and the textile industry had been weakened by imports. The region was plunged into a prolonged economic decline and the lack of transportation discouraged new development. The States were hardly in a position to undertake the massive road construction which was needed.

But in 1965, the ARC was created and while the returns were not immediate, they have been invaluable to the people who have made this difficult land their home. The progress and advancement these people have realized in only 15 short years is remarkable. The percentage of Appalachians living in poverty was cut in half, as was their rate of infant mortality. More than 57 percent of the Appalachian population had completed 4 years of high school compared with the only 33 percent in 1960; 2 million new private-sector jobs had been created and a per capita income rose from 78 percent of the national average to 85 percent. We have literally improved the lives of these people through our funding of ARC. Let us not bring this progress to a sudden halt, but instead continue to aid those Americans who still need our support.

H.R. 10 extends the Appalachian Regional Development Act to provide a finish up of the Redevelopment Program by 1990 and of the Highway System Program by 1992. Of course, private involvement is necessary if economic stability is to be realized. This bill stresses private support and investment and encourages the establishment of a development foundation for the region. It disturbs me that this administration has been so opposed to the programs of the ARC and the other development programs. While foreign aid under President Reagan has increased, these programs have been targeted for elimination. My record is one of fiscal conservatism. I agree that we must reduce Federal spending but I fail to see why it must be at the expense of these programs which have provided a decent life for our own people. This administration has supported development programs overseas while seeking to eliminate the very same types of programs in this country. The figures alone are deplorable. The Reagan administration in its 5 years has requested over $60 billion for foreign aid. That figure compared to the less than $3 billion appropriated for UDAG and the less than $2 billion for EDA prove only to

show where the administration's priorities lie. Not only has the administration failed to request any moneys for development programs such as UDAG and EDA, but they have repeatedly called for total elimination of those very same programs which have served to eliminate the extreme hardships of many Americans. It is not fiscally irresponsible to sue Federal resources to help Americans.

Mr. Chairman, we have all benefited from programs funded through ARC, UDAG, CDBG as well as the Economic Development Administration. I ask you to think about your individual districts and over the past 2 years or, in my case, 10 years, the number of industrial parks, roads into the industrial parks, sewer and water projects, libraries and civil centers that might not be there today had it not been for the availability of the programs that I have just mentioned, especially programs under EDA.

I know that in my district, a county of some 7,000 which had tried for 6 years to gain funding for a $9 million sewer project could not have supported such an expenditure had it not been for the help of the Economic Development Administration in providing some funding for a badly needed wastewater treatment facility.

My district is not atypical. You have all had the same kinds of problems in your districts and such agencies as I have mentioned have come to be relied upon to provide the necessary assistance that will enhance economic development. I urge you, ladies and gentlemen, to support the Public Works Committee's efforts.

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The CHAIRMAN. The Chair would advise that the gentleman from New York [Mr. NOWAK] has 9½ minutes remaining and the gentleman from Pennsylvania [Mr. CLINGER] has 3 minutes remaining.

Mr. NOWAK. Mr. Chairman, I yield 3 minutes to the gentleman from Minnesota [Mr. OBERSTAR].

Mr. OBERSTAR. I thank the gentleman for yielding me this time.

Mr. Chairman, the Economic Development Administration is clearly one of the most extraordinary success stories in the Federal Government's panoply of programs to help communities, distressed areas; people who have lost their jobs through no fault of their own, who simply want to return to work and lead creative, productive lives. EDA has met its mark; has carried out its mission; has been an extraordinarily effective program.

In the hearings conducted in the Subcommittee on Economic Development over 4 years ago in which the gentleman from Pennsylvania was an active participant, the gentleman from New York, now the chairman of that subcommittee, was an active participant, we demonstrated that over the now 20-year history of that program the Federal Government's investment of $4.5 billion in distressed areas of this country, leveraged additional investments of $9 billion from private, State, and local sources, created over 1.5 million jobs, and that every year those jobs are returning to Federal, State, and local treasuries $6.5 billion in taxes.

Every year the jobs EDA created are paying for that cumulative 20-year Federal investment. That is a record that few Federal Government program investments can match if any can match it.

Nonetheless 4 years ago, when we started out to review this very successful program, the gentleman from Pennsylvania and I vowed that we would rewrite, and reshape, and refocus the EDA Program to narrow its application; to make it a more highly targeted program, and we have done so. This was without regard to partisan considerations because the views of the gentleman from Pennsylvania [Mr. CLINGER], the views of the gentleman from Arkansas [Mr. HAMMERSCHMIDT], of our former colleague, the ranking member on the full Public Works Committee, Mr. Don Clausen, contributed heavily to the thought process that went into reshaping the EDA Program. The gentleman from New York [Mr. NOWAK], who contributed an enormous amount of time; our colleagues throughout the Appalachian region, together we rewrote this program which is a claim that few committees in this body can make. That is, to take a very favored Federal Government program and narrow it down, trim its sails, and focus its resources, which we did, and the result is H.R. 10, the National Development Investment Act, which has twice passed this body by overwhelming votes. Those votes are testimony in themselves to the bipartisan nature of this bill, to the intermingling of ideas, to produce a result that will benefit, even more effectively than before, the distressed areas of this country.

People who are out of work, communities that have lost economic base, do not look for a handout; they want a hand up. That is what this legislation will do. I urge your support for the National Development Investment Act. The National Development Investment Act would reauthorize in modified and improved form the programs now administered by the Economic Development Administration. It would also authorize the finish-up program proposed by the Appalachian Governors for the Appalachian Regional Commission.

Mr. Chairman, this bill has twice before passed this body, by overwhelming bipartisan margins: by 281 to 95 in the 97th Congress, and by 306 to 113 in the 98th Congress. I have complete confidence that it will receive equal support this year. I hope also that the other body will this year appreciate the value of and need for this program, and act favorably on it.

H.R. 10 emphasizes the concern on the part of the Public Works and Transportation Subcommittee on Economic Development, and the full committee, for those areas of the country, such as my own district in northeastern Minnesota, which have not benefited from the current economic recovery, and will need continued assistance as they try to diversify their economies and rejoin the Nation's economic mainstream.

This is not a quick-fix jobs bill. It is not a short-term or miracle cure for economically distressed areas. It is a program for stable, long-term, sustained economic growth and permanent, private sector job creation in the Nation's most depressed areas.

It will lay the groundwork for economic recovery at the local level. Our country's economic strength has always been measured by the soundness of the sum of its parts. This bill addresses the most distressed of those parts, our hardest pressed communities, those which do not have the minimum resources, the critical mass, needed to begin the ascent to economic self-sufficiency.

Title I of this bill, the National Development Investment Act, would establish a successor agency to the Economic Development Administration [EDA]. The programs are similar to those under EDA: grants for public capital facilities, loans to small businesses, and technical assistance and planning grants.

But we have modernized and updated these programs to conform to the very positive changes that have been wrought at the State and local levels. States, multicounty agencies, and local communities have, over the years, in large part thanks to EDA's planning assistance, developed substantial economic development capacity, and are ready and willing to take over this role from the Federal Government. H.R. 10 recognizes this capacity, and provides its grantees with the funds, on a 50/50 matching basis, to chart and pursue their own courses toward economic growth and development.

It sharply curtails the percentage of our country's population which would be eligible for assistance: down to 40 percent of the country, plus those communities which are suddenly faced with the loss of a major employer, either a military base or other Federal facility, or a company which has or is about to close its doors.

Title II would put into legislative language the finish-up program proposed for the Appalachian Regional Commission by its member Governors. This is a modest and pragmatic plan of

action to sustain economic recovery in a major region of America which, like my northeastern Minnesota district, has not been able to keep pace with the progress of other parts of this country.

Mr. Chairman, this legislation focuses on the economic development needs of the 1980's: on private sector jobs; on small business, which studies have shown to be the major source of jobs; and on repair and rehabilitation of the Nation's deteriorating infrastructure, as well as on construction of new buildings, facilities, and on the public capital that may be required.

It is a good bill, a sound bill, and a needed bill that concentrates assistance on the economic problems of those remaining distressed areas of the country which genuinely need outside assistance.

I urge my colleagues to support this important legislation.

Mr. NOWAK. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania [Mr. KANJORSKI].

Mr. KANJORSKI. I thank the gentleman for yielding me this time.

Mr. Chairman, I would like to thank you for this opportunity to speak in support of H.R. 10, the National Development Investment Act. The two categorical programs in this act, the Economic Development Administration and the Appalachian Regional Commission, are vitally important to the continued economic development of our Nation's depressed urban and rural areas.

The Appalachian Regional Commission, which this year celebrated its 20th anniversary, is an example of a program whose benefits cannot only be measured in dollars and cents but also in personal success stories. I represent a seven county area in north-central and northeastern Pennsylvania that is part of Appalachia and as a result I have personally witnessed the progress made through the ARC's industrial development projects, the health and social service programs, and the much needed infrastructure projects.

Over the last 20 years, the $58 million allocated by the ARC to my seven-county area has leveraged almost $150 million in additional direct project funds. This $205 million has been a major factor in creating thousands of new employment opportunities, thereby raising the region's overall economic stability, standard of living, education levels, transportation system and health-care facilities. In addition to the $205 million in direct project funds, these moneys have help to generate tens of millions of new investment dollars throughout Appalachia.

The Economic Development Administration has been an integral part of the revitalization of numerous distressed communities. The EDA was a major factor in the redevelopment of downtown Wilkes-Barre after the devastation caused by Hurricane Agnes in 1972. The EDA through its public works, direct loans and technical assistance programs continues to provide the necessary capital for new business startups, company expansion projects, infrastructure development and the creation and retention of thousands of jobs each year. Earlier this year, the EDA committed $1 million to complete a secondary sewage treatment facility in Berwick, PA, which will result in the creation of 950 new jobs.

Mr. Chairman, unemployment in my district is averaging some 13 percent which no significant reduction expected. Programs such as the Appalachian Regional Commission and the Economic Development Administration are two of the few tools available to us to maintain and improve our industrial and employment situation. Those that would eliminate these vital programs demonstrate a callous disregard for the well-being of millions of American citizens now living in depressed urban and rural communities throughout this Nation.

These programs are so important to the present and future economic development of not only my district but numerous other depressed communities, that I support the full funding of H.R. 10. In good conscience I cannot ask my constituents, the local business community and the local governments to accept additional budgetary reductions in programs that have spurred jobs, new business opportunities, better health and medical facilities, improved transportation systems and raised the overall standard of living, while being cost efficient to the Federal Government.

Mr. Chairman, I would like to commend the committee for their diligent work on H.R. 10 and would urge my colleagues to join with me in support of this important industrial development and job creating legislation.

Mr. NOWAK. Mr. Chairman, I yield 1 minute to the gentleman from South Carolina [Mr. TALLON].

Mr. TALLON. I thank the gentleman for yielding me this time.

Mr. Chairman, I rise in support of H.R. 10. Like so many rural States across the Nation, my State of South Carolina has not enjoyed the economic recovery realized by other areas. The need for economic development assistance is real.

The Federal Government is in a unique position to foster long-term economic growth in every part of the United States. This legislation relies on the private sector to create the jobs, but calls on the public sector to help rebuild local infrastructure and assist development.

Assistance is directed only to those areas not sharing in the benefits of our expanding economy. Furthermore, all grants under this act must be part of a comprehensive development strategy with specific economic objectives.

All 10 counties in the Sixth District of South Carolina, which I represent, would qualify for assistance. In the past year, over $350,000 in Federal grants were made available to my district for economic development.

Mr. Chairman, I know that the program we authorize today will make a difference. I urge my colleagues' support of H.R. 10 to help bring each community into the mainstream of economic life.

I thank the gentleman for his leadership and fine work.

Mr. CLINGER. Mr. Chairman, I yield the balance of my time, 3 minutes, to the gentleman from Pennsylvania [Mr. GEKAS].

Mr. GEKAS. I thank the gentleman for yielding me this time.

Mr. Chairman, I take my turn now in supporting the legislation that is in front of us. It seems to me, Members of the committee and colleagues, that for all purposes we are really confirming what the Congress has already said with regard to the issues in this particular piece of legislation. We ought to be supporting this legislation by a unanimous vote for a historical set of reasons. No. 1, more recently in the history of this legislation, the budget resolution itself which reestablished the theme of what we are about, and albeit it reduced funding by 20 percent, said in effect that we want to continue the program with a pruned down and modernization effort that was put into the new bill that is in front of us. That is why I am a little bit in disagreement with the gentleman from Ohio [Mr. WYLIE], who spoke previously on the floor, who is worried about, as I am, about renewed efforts that we must take to reduce the deficit.

□ 1350

For the time being, we have spoken on that subject. The budget resolution was supposed to be, and for our purposes today, was broad based fair application of reduction of funding for programs across the board for which this Congress is responsible. We acknowledge that. We take our lumps, as we say in the vernacular, with respect to this program and we come to the floor today to confirm that budget resolution.

In my remaining time, I would ask the gentleman from Pennsylvania [Mr. CLINGER] if he would consult with me for a moment of dialog just so I can get some of my thinking straight, and I would yield to him for that purpose.

If we did nothing today and withdrew this legislation from the floor, God forbid we want it to pass, the programs would continue, albeit in their

similar themes as already propounded on the books today. Is that correct?

Mr. CLINGER. The gentleman is absolutely correct, and I would like to respond just for a moment to the gentleman from Ohio [Mr. WYLIE], who had some legitimate criticisms of the existing programs. He talked about the loan program. He talked about other aspects.

The point is, if we do nothing today, the program would continue because the appropriations process is entrained. We would still be dealing with the old legislation, which means that the very parts that he was attacking would still be in existence.

What this bill does is to address those concerns, get rid of the abuses that have been in assistance, targets it more directly, and therefore makes a better program. The money is going to be there. Let us make sure we spend it efficiently.

Mr. GEKAS. That is exactly what I wanted to bring out; that we are supporting a modernization of a program. We are also supporting its part in the deficit reduction program, and we ask for unanimous vote in support of H.R. 10.

Mr. NOWAK. Mr. Chairman, to close out the debate on our side, I yield the remaining time to the gentleman from Arkansas [Mr. ALEXANDER], a great contributor to this program in the past.

The CHAIRMAN. The gentleman from Arkansas [Mr. ALEXANDER] is recognized for 4 minutes.

Mr. ALEXANDER. I thank the gentleman for yielding this time to me.

Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act, and urge its passage. This bill is identical to the bill of the same name and number which passed with an overwhelming majority in the House last year. It is similar to a bill the House passed with nearly a 3-to-1 margin in 1982.

My support of this bill is rooted in my personal knowledge that the economic development program is a valuable contribution to our Nation. The provisions in this bill have been carefully formulated on the information the Committee on Public Works and Transportation and its Subcommittee on Economic Development have gathered during extensive hearings and study conducted in the past 5 years.

And, I am convinced that this proposal before us is a worthwhile successor to the Public Works and Economic Development Act. Federal seed money invested through the programs provided for under that act, as amended, have created or saved more than 2 million private sector jobs since these programs began in 1965. They have leveraged billions of dollars in private sector investment in job creation. The workers who hold those more than 2 million jobs pay enough in taxes every 18 months to repay the total Economic Development Administration Program investment made since 1965.

The partnership created through these programs, between the Federal, State, and local governments has meant the difference between real job opportunities and joblessness for millions of Americans.

It has been particularly vital to the efforts of rural communities, small towns and mid-sized cities to generate private sector work for their residents.

Just this last week I was privileged to take part in the groundbreaking for an industry that will bring 400 jobs to an industrial park in the small town of Trumann, AR. EDA through its economic development programs invested $576,000 in that industrial park. Holders of the jobs Parker-Hannifin will bring to that park will earn an estimated annual payroll of $3,328,000. In 1 year the estimated tax payments they will make will be $655,600—more than enough to repay EDA's investment.

In order words, EDA investments are moneymakers for the Federal Government.

Trumann is just one of the communities throughout Arkansas which have benefited from EDA seed money investments. Between 1965 and 1984, EDA invested $165,386,249 job-producing dollars into 447 Arkansas projects. These investments generated 79,630 private sector jobs, with an annual payroll of $645,546,340, and annual tax payments of $129,605,012.

The share of these EDA investments and results in Arkansas' First District, which I represent, was—$44.1 million EDA dollars; 16,270 private sector jobs; $135.4 million in annual payroll; and, $27.1 million in annual individual income tax payments.

In other words, the 16,270 holders of the EDA seed money investment, private sector jobs pay more than enough in taxes every 2 years to more than repay the total investment EDA has made in the last 20 years.

Critics claim that economic development programs do not spur private sector job generation. Rarely, though, do the critics support their negative rhetoric with data such as I have provided today, and that my colleagues can provide.

In addition to such data, I believe it is worthwhile to consider the results of a 2-year General Accounting Office econometric study of EDA Programs. This study was titled "Estimated Employment Effects of Federal Economic Development Programs." It was released 1 year ago. The study covered the period of 1974 through 1978. In it GAO states:

> The estimates from this (econometric) model suggest that these programs did create jobs between the mid and late 1970s. Our results also show evidence that:
>
> Most jobs were created in the manufacturing sector of the economy * * *. Among the various grant categories, public works grants were the most effective in creating jobs; grants were most effective in creating jobs in states with low employment growth.

The GAO study also found that:

> A $500,000 increase in economic development grants would initially be associated with 216 additional jobs at an estimated cost of $2,315 per job per year * * *.

And that—

> In the long run, the number of new jobs would be reduced to 171, at a estimated cost of $2,924 per job * * *.

The bill before us today tightens eligibility criteria to emphasize assistance where it is most needed, can do the most good, and where local governments and private enterprise are most strongly committed to the economic development goals. These are reasonable and rational requirements.

EDA Programs have always emphasized a strong Federal-local partnership with the economic development project decisions being generated at the local level.

This bill provides strong encouragement to local and State governments to pursue and encourage diversification of their economies. This, too, is important as insurance against the fatal shocks which can come from distress and depression in a single sector of the economy.

This bill promotes a commitment on the part of State and local governments to a continuing, long-term practice of pursuing economic development. This is vital to creating, maintaining, and increasing private sector job opportunities across the Nation.

I have some concerns about some portions of this bill.

In the past two decades, the local governments and community leaders have used the Federal-local partnership to develop and maintain a vital, healthy, strong system of substate economic development districts. I hope that the committee would bring us a bill which would ensure that this system continues its essential and invaluable service. Having reviewed the provisions of the bill and committee report, I believe its intention that these districts continue their work is unequivocal, although I would have liked stronger provision on this. It is my hope that the implementation of the bill's provisions will follow the intent of the bill.

A vitally important element in the success of EDA programs has been the agency's hardworking, committed, knowledgeable field staff. They are known as economic development representatives—EDR's for short. While I would prefer bill language on this, I am encouraged that the committee's intent that the field structure remain in place is clearly stated—more than once—in the report. It is my hope that the implementation of the administra-

tive provisions ensures that the EDR system remains in place and working.

Our Government system is, as it should be, one of consensus making, of compromising to build the best programs possible to serve the interests of the greatest number of our people as possible. Thus, rarely is everyone of the 435 Members of this House going to be satisfied with every one of the provisions in any bill before us. H.R. 10, the National Development Investment Act, is that kind of bill. It serves the interests of every American who is interested in strengthening our economy through private sector job generation. It is a bill worthy of the support of every Member of this House, I urge its passage.

Mr. DE LUGO. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act. This legislation was unanimously reported out of the Public Works Committee on May 15, and I am proud to have participated in this action which salvaged economic development programs from the administration's budget ax.

I can think of no more shortsighted idea than to phase out a program of proven success that has been effective in creating jobs in economically distressed areas. The Economic Development Administration has such a track record throughout the country and in the U.S. Virgin Islands. In my district, EDA has funded a wide variety of projects ranging from industrial parks to schools, to vocational training centers, to planning assistance and targeting studies on our key industry of tourism. In every case EDA's financial and technical assistance was invaluable, if not in fact the determining factor in the success of each project. In a small, isolated district such as mine, our economic future depends on diversification and training, and EDA is helping us to achieve that goal.

Given the difficulty that any isolated district, particularly one like the Virgin Islands, has in attracting industry and investment, and availability of EDA assistance is critical. There are few Federal agencies capable of taking the broad, long range economic view so necessary to sound development, and few that have been given the tools and the authority broad enough to accomplish that goal.

In this legislation before us today, Congress is reaffirming its belief in the EDA philosophy. For several years now the administration has tried to phase or wipe out EDA Programs. In this legislation, Congress will say: No, that is not in the best interest of the country. I wholeheartedly concur and the people of the U.S. Virgin Islands agree. On their behalf, I would like to commend the chairman of the Subcommittee on Economic Development, Mr. NOWAK, and my distinguished colleague and chairman, Mr. HOWARD, for their commitment and all their effort in preserving these important economic development programs. I urge my colleagues to support this legislation.

Mr. MCEWEN. Mr. Chairman, it is a pleasure to express my strong support for H.R. 10, the National Development Investment Act. Four years ago, as a member of the Economic Development Subcommittee, I had the opportunity to work on this vital measure which addresses critical development and job needs in the areas of our Nation most in need of our help. The House approved the legislation in the 97th Congress and again in the 98th. Now the bill is before the House once more and I am hopeful that this will be the year it is passed and signed into law.

As an original cosponsor of H.R. 10, and as member of the Public Works and Transportation Committee, it has been my privilege to work on framing this legislation to meet two important goals: Extension and modification of programs under the Economic Development Administration and the implementation of a finish-up program for the Appalachian Regional Commission.

It should be noted at the outset that both the Economic Development Administration and the Appalachian Regional Commission have been helping communities in distressed regions of our Nation for a long time, and they have established fine records in that regard.

Both agencies have filled a great need, and that need in some areas of the country continues. Those areas will need continued help as they seek to diversify their economies in order to join mainstream America.

Their problems vary. For some, their local public facility infrastructure is falling apart, making economic expansion virtually impossible. Some communities have suffered the shock of losing major industries and hundreds of jobs. For them, economic adjustments and diversification is essential but financially beyond their reach without some measure of Federal help.

H.R. 10 incorporates the finish-up program proposed by the Appalachian Governors for the Appalachian Regional Commission. That proposal calls for phaseout of the ARC by 1990 and the completion of its priority highway program by 1992. States served by the Commission are in agreement with the phaseout schedule for both ARC highway and nonhighway programs.

The ARC was created to help turn around the impoverished Appalachian area by establishing programs to improve literacy, health care, income, and the basic infrastructure upon which all development is based.

Certainly the programs of the ARC have breathed new life in the economically deprived areas of Appalachia, and we are making certain in the legislation that the phaseout of this program is a gradual one.

Programs under EDA would be reauthorized through fiscal year 1988. However, H.R. 10 is more than an EDA reauthorization bill. The committee has been concerned with widespread complaints over the grant program's broad eligibility requirements and the excessive number of defaults in the Agency's loan program.

Those concerns are reflected in major changes provided in the bill for both problem areas. New eligibility criteria in the legislation would reduce from 80 percent to about 44 percent that portion of the country now qualified for assistance as a distressed area.

The loan program would be restructured so that grants would be made for the establishment of locally administered revolving loan funds to provide seed capital for small businesses or to retain existing businesses. I believe that this program can best be administered and monitored at the local level.

In the past, EDA has been called a sacred cow. This is not without some justification. Over the past 20 years, the original purpose of the EDA has been lost. When EDA was established, its purpose was to help promote long-term economic development to areas with severe unemployment. However, as the EDA Program grew, its scope grew as well. Soon, the requirements to be considered a "distressed area" were broadened so as to include 80 percent of the entire Nation. It quickly became apparent that EDA had outgrown its original intent and therefore lost much of its effectiveness and support.

The legislation before us today streamlines EDA to allow the original intent of the program to be realized once again. Under this new program, only areas with chronic unemployment, or especially low incomes would be eligible for assistance. In addition, an area could qualify temporarily if there was a dramatic loss in jobs such as the closing of a major plant.

H.R. 10's overall purpose is to provide a program for stable, long-term sustained economic growth and permanent, private sector job creation in the Nation's economically distressed areas.

If enacted into law, it will, in my judgment, lay the groundwork for providing effective economic revitalization at the local level, where lasting recovery must begin.

Mr. MONTGOMERY. Mr. Chairman, today I rise in support of H.R. 10, the National Development Investment Act.

Contained in this legislation is funding for the Appalachian Regional Commission [ARC], which has proved to be a productive partner to the States, local governments, and the private sector in my State of Mississippi and throughout the entire Appalachian region. That partnership has helped our people help themselves.

We have seen the development of roads, water, and sewage systems, education and health facilities and other projects that have helped improve the quality of life for the people served by the ARC.

Jobs have been created, poverty and illiteracy have been reduced, better housing and better highways have been built as a result of the efforts and opportunities made available through the Appalachian Regional Commission. This work has helped bring the Appalachian region more into the mainstream of our national economy.

Mr. EDGAR. Mr. Chairman, I rise today in strong support of the National Development Investment Act, H.R. 10. This bill reauthorizes the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC], which were established to provide aid to economically

distressed areas of the country through the development of industrial facilities and the improvement of basic infrastructure—the real key to economic development in this Nation.

No one can deny, Mr. Chairman, that for many areas of the country, there has been no economic recovery: recession and joblessness continue. In my own State of Pennsylvania, for example, unemployment is still above the national average. In May, 31,000 Pennsylvanians lost their jobs.

The Northeast and Midwest region of the country was particularly hard-hit by the recent recessions, and it is this region that is also the oldest in the Nation. Consequently, its cities and public works are aging as well and the deterioration of its infrastructure is strangling our economy, costing us jobs as industries move to foreign countries.

Unless we take action soon, many more jobs will be lost, communities will be further devastated, and hopes for long-term economic recovery will be dashed forever. Economic growth, and the resulting job creation, is simply not possible unless we have the basic infrastructure to support such growth.

Yet while there is increasing awareness in this country of the importance of sound infrastructure to jobs and a strong economy, we have seen under attack over the past 5 years the very tools that are vital in rebuilding our Nation. With the President's proposed elimination of the deduction for State and local taxes and with Federal support for Amtrak, mass transit, UDAG's and general revenue sharing under attack, it is difficult to imagine how we will be able to meet the clear needs that are before us.

And in fact, the administration has repeatedly proposed to eliminate another tool for infrastructure improvement that we are discussing today; namely, the Economic Development Administration. I think that the reauthorization of the EDA is absolutely vital not only to Pennsylvania and the Northeast and Midwest, but for distressed areas throughout the Nation.

This bill represents a balanced, fair attempt to help distressed communities leverage private capital and plan development strategies. The Public Works and Transportation Committee, on which I am proud to serve, has tightened up the program to address some of the criticisms that have been levelled at the EDA. In addition, the committee will offer a floor amendment to limit spending in the bill to the fiscal year 1985 level, which balances our economic development needs with a responsible approach to the crisis posed by the Federal budget deficit.

H.R. 10 will reauthorize the EDA for 3 years and the ARC for 5 years. The bill provides that EDA grants must be matched by a 50-percent contribution by local interests, meaning that projects will be backed by the communities in which they are located. In addition, this aid will be contingent on the adoption by localities of a comprehensive community development plan. Finally, H.R. 10 eliminates long-term eligibility for EDA grants. In the future, communities will be required to include the most recent data on distress in each application; this will guarantee that economic development aid goes to communities that need it most.

The community development plan, known as development investment strategies, are the heart of the new legislation. Applicant communities must analyze their economic problems; inventory other available Federal, State, local and private resources and past investments; and present a long-term schedule for approaching economic self-sufficiency.

The Secretary of Commerce is directed to evaluate the strategies and base his or her project selection on the basis of greatest potential for success as well as on a basis of need. The priority is to spend these scarce dollars where they will have the most impact.

Mr. Chairman, the Economic Development Administration has been of particular importance in my State of Pennsylvania. Since it was created in 1965, the EDA has obligated over $94 million in vital development funds in my State. In distressed areas, EDA funding is available to help redevelopment efforts. Over the past several years, the EDA has helped communities across Pennsylvania. To note a few examples, EDA funding has been used:

In Philadelphia, to build port facilities, develop export programs, and rehabilitate the Frankford Arsenal; in Altoona, to develop an industrial park and help the local redevelopment authority with road construction; in Scranton, to replace a bridge; in Luzerne, for new sewage construction; in Hazelton, for improvements to the water system; in Jeanette, for sewer reconstruction; in Johnstown, for general infrastructure improvements; in Pittsburgh, a variety of planning grants to the city of Pittsburgh and the Allegheny County Development Department; in Allentown, for bridge improvement; in Lewisburg, for a planning grant for export develpment; in Williamsport, for storm sewers; in Uniontown, for a feasibility study for a foreign trade zone; in Erie, for a grant to Girard Borough for water system improvements.

This is a good bill, Mr. Chairman, it helps us keep the tools we need in our economic development tool chest. It allows us to continue to aid economically distressed communities in a fiscally responsible manner. I urge the passage of H.R. 10.

Mr. MINETA. Mr. Chairman, I would first like to thank Mr. HOWARD and Mr. OBERSTAR for their commitment to H.R. 10, the National Development Investment Act. This worthwhile and necessary bill was unanimously reported out of the Public Works and Transportation Committee for good reason.

This House attempted in the 97th and the 98th Congresses to enact this measure, but both times our efforts were thwarted by the other body, which took no action after the House bills were passed. This legislation, if enacted, will provide aid to economically depressed and distressed areas for necessary community projects and facilities. For example, in my area, funds were made available through the Economic Development Administration for much needed work on fire stations, jails, schools, and many other community projects.

Since fiscal year 1982, neither the Economic Development Administration nor the Appalachian Regional Commission has been authorized, although both have continued to operate.

The need for assistance to economically depressed areas is clear and indisputable; this House has several times shown its support for regional development programs. I urge my colleagues now to support this bill, which authorizes funds in fiscal years 1986 through 1988 for an economic development program to replace the public grant program now being used. This authorization bill is necessary to ensure the continuation of economic aid to areas in need of development assistance.

H.R. 10 represents the third attempt to authorize the National Development Investment Act. We must act swiftly and with resolve to pass this bill and to finally persuade the other body to do so also. Congress can no longer afford to act in an ad hoc manner when it comes to authorizing funds for development assistance. This legislation must be passed to facilitate the timely allocation of needed funds for projects such as water and sewage systems, education and health facilities, ports, roads, and grants for private economic development projects.

To ensure that only the most distressed areas receive aid, stringent eligibility requirements are included in H.R. 10. Also, a detailed development strategy must be submitted to demonstrate that the area's particular economic problems have been analyzed with other available resources in mind. Thus, one can be reassured that priority for development aid will be given to those areas that are most needy and that exhibit a realistic improvement plan.

The National Development Investment Act is a sound piece of legislation that will facilitate the authorization and appropriation of funds to areas in need of development assistance. I wholeheartedly support H.R. 10 and I strongly urge my colleagues also to support this worthwhile bill.

Mr. TOWNS. Mr. Chairman, I am pleased to rise in support of the National Development Investment Act, H.R. 10. We should not forget the purpose of this legislation. The Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC] were established to provide aid to economically distressed areas of the country through the development of public facilities such as roads, ports, community water and sewage systems, and education and health facilities, and through grants for private economic development projects. Despite the valuable nature of the programs, the administration has continually opposed the continuation of both EDA and ARC. Throughout the extensive hearings on this legislation, State and local government organizations have stressed the necessity for continued Federal support to promote economic development. It is clear

from the committee's witnesses that whether one is concerned about health care in rural Appalachia or the retention of small businesses in Liberty City in Dade County, FL, that the Federal Government has a responsibility to aid localities in preserving and/or enhancing the economic life of these communities.

The committee has addressed critics' charges of overlapping resources with a targeting approach to areas of economic distress which are clearly defined by three distinct criteria. In addition, funding priority will be given to applicants showing a high ratio of private investment to public funding would receive the highest priority. The bill's requirement that an extensive development investment strategy be submitted for grant awards is a further inducement for maximizing economic resources. I am particularly pleased that the committee's bill again included my amendment requiring minority business enterprise participation in the development investment strategy.

Mr. Chairman, the cities and towns of America continue to need their Federal Government's support to ensure economic self-sufficiency. We have an obligation to respond to this need. I urge my colleagues to support H.R. 10 to retain two agencies, EDA and ARC, who have more than proven their effectiveness in assisting local governments with their economic problems.

Mr. STAGGERS. Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act. I would first like to take this opportunity to commend Mr. NOWAK and his subcommittee for their commitment to creating a thoughtful, comprehensive piece of legislation. Additionally, I wish to commend the gentleman from Minnesota [Mr. OBERSTAR] for his leadership and dedication to this bill, which addresses a difficult subject with vision and innovation. Finally, I would like to congratulate the full committee for its rallying, in a truly bipartisan manner, to present a viable solution to a national problem.

I am pleased to be a cosponsor of a bill that recognizes both our responsibility to assist the Nation's economically depressed areas, and our responsibility to spend the Nation's money wisely. Let us keep those parts of the Economic Development Administration that have provided valuable support to needy communities in the past and refine those parts that do not meet the initial goals. By redefining eligibility requirements and spending limits, H.R. 10 allows us to do just that.

During its years of existence, EDA has helped the Second District of West Virginia in many ways. By providing operating funds to the regional planning and development councils in the State, EDA ensures coordinated economic development planning, as well as the evolution of long-term development strategies. By providing funding for the construction of infrastructure to industrial parks in both Berkeley and Greenbrier Counties, EDA has helped to attract the investment of the private sector which, in turn, will create much needed jobs. For this reason, I support title I of H.R. 10.

The Second District of West Virginia has been the beneficiary of many Appalachian Regional Commission programs; from the construction of major roadways to the support of an infant mortality reduction program. There are four counties in my district that fall into the distressed county category. In these counties basic services, such as clean drinking water and sanitary sewage disposal, could be considered as luxuries; yet they are now slowly being provided as a result of ARC funding. For example, in Pendleton County, a water system is just now ready to go to construction—the result of combining local and Federal dollars in the spirit of cooperation that this bill wishes to expand.

There is no question that Appalachia still lags behind the rest of the Nation in recovery. Although great strides have been made toward correcting this situation, we have not achieved complete socio-economic parity for Appalachia. Our job is not yet done. For this reason, I support title II of H.R. 10.

This bill befits the philosophies and needs of the 1980's. By offering seed money for revolving loan funds, it acknowledges the role of the Federal Government in helping its neediest communities achieve economic self-sufficiency. By giving top priority to those applications with a high ratio of private investment to public funding, it encourages the participation of the private sector. By setting aside money for technical assistance and feasibility studies, it rewards those communities that seek to help themselves through thoughtful planning and wise investment strategies. By requiring a master economic development plan with each application, it correctly identifies the need for and the desirability of long-range planning. By setting strict eligibility criteria, it assures that only the communities most in need receive funding.

I want the people of the Second District of West Virginia to be able to remain in the communities that they so love. I want them to have jobs in their communities. I want them to have access to good medical care in their communities. I want them to have basic water and sewer services in their communities. Most of all, I want them to be able to share in the economic revival and unique partnership that the National Development Investment Act would create. For this reason, I strongly support H.R. 10 and urge my fellow members to vote for passage of this innovative measure.

The CHAIRMAN. All time for general debate has expired.

Pursuant to House Resolution 223 and the order of the House today, immediately after the enacting clause is read it shall be in order to consider the amendments printed in the CONGRESSIONAL RECORD of July 11, 1985, as modified, by and if offered by Representative HOWARD or his designee, which shall be considered en bloc and shall be in order, although amending portions of the bill not yet read for amendment shall not be subject to amendment but shall be debatable for 20 minutes, to be equally divided and controlled by the proponent of the amendments and a Member opposed thereto.

The Clerk will read the enacting clause.

The Clerk read as follows:

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

AMENDMENTS OFFERED BY MR. HOWARD

Mr. HOWARD. Mr. Chairman, I offer amendments.

The Clerk read as follows:

Amendments offered by Mr. HOWARD:

Page 18, strike out line 8 and all that follows through "1986," on line 9 and insert in lieu thereof the following:

$125,000,000 for the fiscal year ending September 30, 1986, and such sums as may be necessary for the fiscal years ending

Page 25, strike out line 4 and all that follows through "1986," on line 5 and insert in lieu thereof the following:

$35,000,000 for the fiscal year ending September 30, 1986, and such sums as may be necessary for the fiscal years ending

Page 35, line 14, strike out "$30,000,000" and all that follows through the period of line 17 and insert in lieu thereof the following:

$22,800,000 for the fiscal year ending September 30, 1986, and such sums as may be necessary for the fiscal years ending September 30, 1987, and September 30, 1988.

Page 36, line 14, strike out "$5,800,000" and all that follows through the second period on line 25 and insert in lieu thereof the following:

$2,300,000 for the fiscal year ending September 30, 1986, and such sums as may be necessary for the fiscal years ending September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990. Of amounts appropriated pursuant to the preceding sentence for each of the fiscal years ending September 30, 1986, September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990, not to exceed $450,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff.".

Page 37, line 7, strike out "$234,000,000" and all that follows through the second period on line 12 and insert in lieu thereof the following:

$79,500,000 for the fiscal year ending September 30, 1986, and such sums as may be necessary for the fiscal years ending September 30, 1987, September 30, 1988, September 30, 1989, September 30, 1990, September 30, 1991, and September 30, 1992.".

Page 39, line 16, strike out "$166,000,000" and all that follows through the second period on line 20 and insert in lieu thereof the following:

$39,200,000 for the fiscal year ending September 30, 1986, and such sums as may be necessary for the fiscal years ending September 30, 1987, September 30, 1988, September 30, 1989, and September 30, 1990.".

Mr. HOWARD (during the reading). Mr. Chairman, I ask unanimous consent that the amendments be considered as read and printed in the RECORD.

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

There was no objection.

The CHAIRMAN. Under the rule, the gentleman from New Jersey [Mr. HOWARD] will be recognized for 10 minutes and a Member opposed will be recognized for 10 minutes.

The Chair recognizes the gentleman from New Jersey [Mr. HOWARD].

Mr. HOWARD. Mr. Chairman, these amendments would reduce authorized funding levels to bring them into conformity with the budget resolution as passed on August 1.

This is a below-the-freeze amendment. It is an amendment which was agreed upon in principle by our committee at the time of our committee markup on this bill.

Very simply, as we have done in all other authorizing bills considered by the House in this session with the exception of the Water Quality Renewal Act of 1985, the committee amendment would reduce the funding levels in H.R. 10 by bringing the fiscal year 1986 funding authorized by the bill, as introduced, in line with the funding levels proposed by the budget resolution for the EDA and ARC programs. It actually reduces authorized funding levels 20 percent below the total funds appropriated for each of these programs for fiscal year 1985.

Total authorizations for title I, the National Development Investment Act, would drop from $530 million authorized in the bill to $182.8 million for fiscal year 1986 and would be as follows: $125 million for development investment grants; $35 million for investment strategy, planning, evaluation, and demonstration grants; and $22.8 million for administrative expenses.

Authorizations for the Appalachian finish up programs would be reduced from a total of $319.9 million to $136.17 million for fiscal year 1986. This is allocated as follows: $79.5 million for the highway program, $39.2 million for nonhighway programs and $2.3 million for salaries and expenses.

The total fiscal year 1986 cost of the bill would be $303.8 million.

Authorizations for subsequent fiscal years—through fiscal year 1988 for the National Development Investment Act, through fiscal year 1990 for the Appalachian Nonhighway Program and through fiscal year 1992 for the Appalachian Highway Program—are authorized for "such sums as necessary."

Mr. Chairman, the committee remains convinced there is a continuing need for the basic development tools contained in this bill and for the Federal Government as a partner in promoting economic growth in distressed communities of the Nation.

The decision to propose this committee amendment reducing funding for these important programs reflects the deep concern of our members over the size of the Federal deficit and its negative impact upon the overall economy. We believe this amendment is appropriate in view of the need to reduce Federal spending to achieve a sound fiscal position for our country.

Mr. Chairman, I urge support for the committee's amendment.

Mr. DE LA GARZA. Mr. Chairman, as an unwavering supporter of the Economic Development Administration since its inception and as an original supporter of H.R. 10 to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, I rise in support of the measure.

This program has been of more consistent assistance to my area than any other federally sponsored program of its kind.

Over the years as a result of the EDA programs, we have been successful in developing the Port of Brownsville, in locating the largest and finest foreign trade zone in the United States in McAllen, TX, and in bringing water to thousands of deprived migrant workers who had been accustomed to nothing but outdoor plumbing before the Military Highway Water Supply Corporation was established. This is to mention but just a few of the contributions the EDA has made to my area. There are many, many more.

The EDA has been around for 20 years, and I hope it will continue functioning as the mainstay of economic development in this country for a long time to come. This one Government agency more than any other has helped to revitalize rural America, and it has done so without scandal and with a well-administered budget. It has been my experience that moneys injected into the EDA programs have been tax dollars well-spent.

There are Members still serving on the Committee on Public Works and Transportation who will remember that in the past I have gone before the committee to plead for the retention of the Economic Development Administration. The committee always responded sympathetically to my overtures. I would urge my colleagues to show the same consistent assistance in preserving an agency as invaluable as the Economic Development Administration.

Mr. FORD of Tennessee. Mr. Chairman, I rise today in support of H.R. 10, a bill to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965.

Many communities across the Nation are confronted with high unempolyment, financial instability and a shortage of available capital. Some of our regions, counties and communities are in such poor economic condition that even at times when government spending for social insurance programs has increased, the level of poverty has sharply risen.

We are a nation of regions, interdependent on one another for a strong national economy. A strong national economy depends on the cooperation of self-sufficient and productive local and regional economies—economies that have some stability yet sufficient flexibility to deal with the technological and structural changes which accompany and facilitate national growth.

H.R. 10 is designed to permit the Federal Government, in cooperation with the States to assist distressed local and regional communities to take actions to achieve lasting economic improvement and prosperity. Under the act, new local employment opportunities would be created by developing and expanding public works projects and other facilities and resources. The bill specifically assists distressed communities by helping them to construct public facilities and improve the basic framework necessary to support development. Assistance is continued by facilitating economic adjustment, by promoting economic diversification, by effectively responding to sudden and severe local economic dislocations and by encouraging and supporting local economic planning. This legislation will attempt to provide some relief by making funds available for business expansion and retention through locally administered revolving loan funds.

Economic progress is likely to occur where all levels of government and the private sector are firmly and actively united in a long-term commitment to achieve economic self-sufficiency. What particularly appeals to me about this legislation is that it encourages cooperation among communities in different States and urges, where such communities desire, their respective governments to bring their own resources to bear in support of these local interstate efforts. It also encourages the cooperation of various jurisdictions, such as associations of counties and/or of communities, where various units of local government agree to pool their resources to the mutual benefit of all. This attempts to coordinate all available funding sources to promote economic development.

Mr. Chairman, while I am aware of our need to reduce the Federal budget and to reduce the growth of Federal spending I feel that legislation of this nature will lead to reduction of the national debt. It has been reported that the Federal money provided by these programs has generated billions of dollars in private capital and returned billions more in taxes annually to Federal, State and local treasuries.

I therefore ask my colleagues to join in support of H.R. 10, a bill that is beneficial to the economic development of this Nation.

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The CHAIRMAN. The question is on the amendments offered by the gentleman from New Jersey [Mr. HOWARD].

The amendments were agreed to.

The CHAIRMAN. Pursuant to the rule, the bill, as modified by amendments offered by the gentleman from New Jersey [Mr. HOWARD] which have just been adopted, shall be considered as an original bill for the purpose of amendment under the 5-minute rule

by titles, and each title shall be considered as having been read.

The Clerk will designate title I.

The text of title I is as follows:

TITLE I—NATIONAL DEVELOPMENT INVESTMENT

SEC. 101. The Public Works and Economic Development Act of 1965 is amended to read as follows: "That this Act may be cited as the 'National Development Investment Act'.

"TITLE I—DEVELOPMENT INVESTMENT ASSISTANCE

"FINDINGS AND PURPOSES

"SEC. 101. (a) The Congress reaffirms the proposition that this Nation's economic strength is derived from the health of its regions, States, and local communities, both rural and urban, and that national interest dictates the maintenance and enhancement of economic vitality at the subnational level.

"(b) Congress also recognizes that economic conditions and political relationships change and that legislation must address these changes.

"(c) Congress further affirms that this legislation is designed to make government more efficient and responsive by supporting the following principles: leave to private initiative all the functions that citizens can perform privately; use the level of government closest to the community for all public functions it can handle; utilize cooperative intergovernmental agreements where appropriate to attain economical performance and popular approval; reserve national action for residual participation where State and local governments are not fully adequate and for the continuing responsibilities that only the National Government can undertake, such as monitoring the manner in which Federal funds are used in order to ensure the carrying out of the activities for which assistance is given.

"(d) The private sector remains the ultimate generator of employment and economic growth, but the public sector must reverse decades of infrastructure neglect as a necessary concomitant to private business stability and expansion. State and local governments now have a greater capacity than in previous decades to direct their own destiny, in part because of past Federal efforts; this new capacity must be incorporated in any new legislation at the national level. America's increased involvement in international trade has brought both challenges to some industries, and opportunities for others; these challenges and opportunities must be addressed. Capital shortages will for the foreseeable future curtail the Nation's ability to meet public and private investment needs; it is therefore imperative to marshal the resources of all levels of government and the private sector to create the critical mass of capital and other assets needed to generate growth. Finally, there is a continued need to assist in adjustment of change, which is the only permanent feature of our national, regional, and local economies.

"(e) In recognition of these constants and changes, Congress finds it an appropriate role for the Federal Government to foster the coordination of investments between the public and private sectors and to promote long-term economic development partnerships at the State and local levels, in both rural and urban areas.

"(f) The purposes of this Act are therefore—

"(1) to establish a framework within which Federal, State, and local governments, and the private sectors, in urban and rural areas, can combine their resources to achieve economic development in all parts of the Nation;

"(2) to help create a strong investment climate which promotes the expansion and retention of job opportunities for local residents; and removes economic barriers in local areas which impede the free market forces;

"(3) to build, rehabilitate, and repair public infrastructure where it is inadequate to support and encourage private investment in the area;

"(4) to recognize and rely upon improved State and local governments' capacity to direct their own destinies;

"(5) to link public and private funds to foster coordination of resources between these sectors, in order to leverage the maximum investment in the long-term economic vitality of all areas;

"(6) to facilitate local and regional economic adjustment and economic development diversification in a changing national economy, by assisting State and local efforts to foresee adverse economic changes; to prevent their consequences where possible; to respond as necessary; and to achieve economic self-sufficiency;

"(7) to assist in relieving capital shortages and fill local credit gaps which impede private business startups and expansion;

"(8) to assist communities and industries to respond to the opportunities and challenges of a world increasingly knit together by international trade; and

"(9) to enhance the economic development of Indian reservations, pursuant to the Federal Government's trust responsibilities to Indian tribes.

"ELIGIBLE ACTIVITIES

"SEC. 102. (a) Upon application of a State, economic development district, unit of local government, Indian tribe, or private or public nonprofit organization established for economic development purposes which meets the eligibility criteria established by this Act, the Secretary is authorized to make a grant for a portion of the cost, as provided in section 108, of projects submitted in a development investment strategy. Development investment assistance may be for the following purposes—

"(1) the construction, repair, rehabilitation and improvement of public facilities, including the acquisition of land and other public works improvements to encourage and support private development;

"(2) revolving loan funds to promote the establishment and growth of small businesses and to retain indigenous firms and entrepreneurs which contribute to the creation, retention, and expansion of private sector jobs;

"(3) to conduct feasibility studies, site preparation, and other technical assistance to prepare for development and to enhance the investment climate; and

"(4) development activities which address and prevent economic dislocation and facilitate economic adjustment including assistance to promote qualified employee ownership organizations and which contribute to economic diversification and long-term economic vitality of the area.

"(b) The Secretary shall provide technical assistance and conduct feasibility studies to assist any person to establish a qualified employee ownership organization for purposes of subsection (a)(4).

"APPLICANTS

"SEC. 103. (a) A State may apply for a grant under this title for an eligible project within any unit of local government within the State, other than a unit of local government with a population of fifty thousand or more, if such unit meets the requirements of section 105 and is not within the boundaries of an economic development district.

"(b) A unit of local government within a State, other than a unit of local government with a population of fifty thousand or more, which meets the requirements of section 105 and is not within the boundaries of an economic development district may apply for a grant under this title for an eligible project within such unit, but only if such unit consults the State in the preparation of the grant application.

"(c) An economic development district may apply for a grant under this title for an eligible project within any unit of local government within such district if such unit meets the requirements of section 105.

"(d) A unit of local government within an economic development district may apply for a grant under this title for an eligible project within such unit if such unit meets the requirements of section 105, but only if such unit consults the economic development district in the preparation of the grant application.

"(e) An Indian tribe may apply for a grant under this title.

"(f) A unit of local government with a population of fifty thousand or more which meets the requirements of section 105 and is located outside an economic development district may apply for a grant under this title for an eligible project within such unit and a private or public nonprofit development organization representing an area within such unit may apply for a grant under this title for an eligible project within such area, but only if such grant application is approved by such unit before its submission.

"(g) In the case of a unit of local government which has a population of fifty thousand or more and does not meet the requirements of section 105—

"(1) such unit may, for an area which meet the requirements of section 105 and is within such unit, apply for a grant under this title for an eligible project within such area, but, in the case of a unit of local government which is located within an economic development district, only if such unit consults the economic development district in the preparation of the grant application; and

"(2) a private or public nonprofit development organization representing an area which meets the requirements of section 105 and is within such unit may apply for a grant under this title for an eligible project within such area, but only if such grant application is approved by such unit before its submission.

"APPLICATION FOR GRANT

"SEC. 104. (a) An application for a grant under this title shall include, but need not be limited to—

"(1) a certification that the area for which the grant is to be made meets the distress requirements set forth in section 105;

"(2) a certification relative to the performance of any responsibilities which the Secretary has agreed to accept under section 306; and

"(3) a development investment strategy prepared in accordance with section 106.

"(b) In approving applications for grants under this title, the Secretary shall consider the purposes of this Act as set forth in sec-

tion 101 of this Act, including but not limited to the following:

"(1) the severity of distress in the area for which the grant is to be made;

"(2) the ratio of private sector investments committed in such area to the amount of the grant applied for;

"(3) the extent to which the appropriate State and local governments have undertaken or agree to undertake other related actions to encourage economic development and the expansion of employment opportunities;

"(4) the effectiveness of the development investment strategy and the degree to which the proposed project contributes to its implementation (including the strategy's relationship to economic problems identified in the strategy), expands employment opportunities in the existing labor market, provides incentives to retain indigenous private businesses, expands or improves public facilities, and encourages private investment;

"(5) the extent to which the strategy and activities are consistent with State and local goals and contribute to long-term economic growth and private sector employment opportunities and establish an overall strengthened economic and business environment which will be self-sustaining; and

"(6) the extent to which assistance under section 102(a)(4) will assist a qualified employee ownership organization to obtain majority ownership of a business.

"(c) No assistance may be provided under this title for projects intended to facilitate the relocation of industrial or commercial plants or facilities from one area to another, unless the Secretary finds that such relocation would not significantly and adversely affect unemployment in, or the economic base of, the area from which the industrial or commercial plant or facility would be leaving.

"DISTRESS REQUIREMENTS

"SEC. 105. (a) In order to be eligible for a grant under this title, the applicant must certify that any activity or project to be funded under such grant will be carried out or located in an area which meets any one of the following criteria:

"(1) the area has a per capita income of 80 percent or less of the national average;

"(2) the area has an unemployment rate 1 percent above the national average percentage for the most recent twenty-four-month period for which statistics are available; or

"(3) the area has experienced or is about to experience a sudden economic dislocation resulting in job loss that is significant both in terms of the number of jobs eliminated and the effect upon the employment rate of the area.

"(b) Documentation of distress shall be supported by Federal data, when available, and in other cases by data available through the State government. Such documentation shall be accepted by the Secretary unless it is determined to be inaccurate. The most recent statistics available must be used.

"DEVELOPMENT INVESTMENT STRATEGY

"SEC. 106. (a) Except as provided in subsection (b), an applicant for a grant under this title shall prepare a development investment strategy for the area for which the grant is sought which—

"(1) identifies the economic development problems sought to be addressed by the grant;

"(2) identifies past, present, and projected future economic development investments in such area and public and private participants and sources of funding for such investments;

"(3) identifies the extent to which the development investment strategy takes into account—

"(A) availability of developable land and space in the area;

"(B) public works, public service, and development facilities in the area;

"(C) availability of low-cost capital;

"(D) tax policy on investments in the area;

"(E) level of skill of the labor force; and

"(F) ability of State and units of local government to provide financial assistance in the management and implementation of the strategy;

"(4) sets forth a strategy for addressing the economic problems identified in paragraph (1) and discusses the manner in which the strategy will solve such problems;

"(5) provides a general discussion of the projects necessary to implement the strategy, an estimate and analysis of the costs and anticipated benefits of implementing the strategy, and an estimate of the timetables for completion of such projects;

"(6) provides a summary of public and private resources which are expected to be available for such projects; and

"(7) provides a comprehensive plan to demonstrate a representative percentage of participation by small business concerns owned and controlled by socially and economically disadvantaged individuals, as defined by section 8(d) of the Small Business Act (15 U.S.C. 637(d)) and relevant subcontracting regulations promulgated pursuant thereto, in all phases of the development and implementation of the development investment strategy.

"(b) In any case in which a unit of local government is the eligible applicant under subsection (b) or (d) of section 103, the unit of local government shall consult the State or economic development district, respectively, in the preparation of a development investment strategy. In any case in which a private or public nonprofit development organization within a unit of local government is the eligible applicant under subsection (g) of section 103, the unit of local government shall approve the organization's development investment strategy.

"PRIVATE SECTOR INCENTIVES

"SEC. 107. (a) To stimulate small business development and to promote internal economic growth which contributes to an improved local tax base and the creation of permanent employment opportunities, the Secretary is authorized to make grants to an applicant and to a State to establish a revolving loan fund to be used for making loans or guaranteeing loans to small businesses for initial or working capital, or the purchase, rehabilitation or expansion of facilities or equipment. In addition, loans or guarantees may be made to businesses where a relatively small amount of capital is needed to complete financing necessary to retain the business in the area. A grant made to a State under this section shall be made on the condition that the revolving loan fund established by such State shall be available only in areas in such State which meet the requirements of section 105.

"(b) No grant for the establishment or recapitalization of a revolving loan fund shall be made for more than $1,000,000.

"(c) No loan or guarantee shall be made from a revolving loan fund which has received a grant under this title unless the financial assistance applied for is not otherwise available from private lenders on terms which in the opinion of the administrator of the revolving loan fund will permit the accomplishment of the project.

"(d) Any applicant for a grant for a revolving loan fund shall give assurances that amounts of any loan which are repaid to the revolving loan fund will be available only for the purposes set forth in subsection (a).

"(e) No loan or guarantee may be made from a revolving loan fund which has received a grant under this title unless the applicant for such loan or guarantee provides reasonable assurance of repayment of the loan.

"(f) The Secretary may make additional grants for a portion of the cost, as provided in section 108(b), of recapitalization of a revolving loan fund, taking into consideration the past performance of such fund.

"(g) The grantee of any grant for a revolving loan fund shall administer the fund.

"FEDERAL SHARE

"SEC. 108. (a) The amount of any grant for a project for any eligible activity described in paragraph (1) of section 102 shall be that amount which when added to amounts available from all other sources is sufficient to complete such project, except that in no event shall the amount of any grant under this title exceed 50 percent of such cost of completing the project as determined at the time of the grant application. No additional funds shall be granted or otherwise made available under this Act for any such project for which a grant has been made under this Act.

"(b) The amount of any grant for the establishment of a revolving loan fund under paragraph (2) of section 102(a) shall not exceed an amount which is equal to the amount of funds available from all other sources for the establishment of such revolving loan fund. The amount of any additional grant for the recapitalization of a revolving loan fund previously established with a grant under this Act shall not exceed an amount which is equal to one-third of the amount of funds available from all other sources for such recapitalization.

"(c) In the case of a grant to an Indian tribe, the Secretary may reduce or waive the non-Federal share.

"LIMITATIONS

"SEC. 109. (a) Except for expenditures to Indian tribes, not more than 15 percent of the appropriations made pursuant to this title may be expended in any one State.

"(b) The Secretary shall not obligate more than $2,000,000 in any fiscal year to any person (including any State or local government or public organization) for grants under this title, other than grants which promote qualified employee ownership organizations.

"OBLIGATION OF FUNDS

"SEC. 110. (a) Not later than May 31 of each fiscal year, the Secretary shall obligate for grants under this title not less than 50 percent and not more than 60 percent of the funds appropriated for such fiscal year pursuant to this title.

"(b) Not later than September 30 of each fiscal year, the Secretary shall obligate for grants under this title the remaining funds appropriated for such fiscal year pursuant to this title.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 111. There is authorized to be appropriated to carry out this title, to be available until expended, $425,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988. Not more than 25 percent

of the amount appropriated pursuant to this section for any fiscal year shall be expended to carry out section 107.

"TITLE II—INVESTMENT STRATEGY, PLANNING, EVALUATION, AND DEMONSTRATION

"INVESTMENT STRATEGY AND PLANNING

"SEC. 201. (a)(1) The Secretary is authorized to make grants for economic development planning, including the preparation of development investment strategies under section 106 and the payment of administrative expenses, to States, economic development districts, Indian tribes, counties which meet the distress requirements of section 105 and which are located outside of economic development districts, and those other units of local government having populations of fifty thousand or more which meet such distress requirements and which are located outside of economic development districts. Such planning shall be a part of a comprehensive planning process and shall be a continuous process involving public officials and private citizens in analyzing local economies, defining development goals, determining project opportunities, and formulating and implementing a development program. The Secretary is authorized to make grants for preparation of a development investment strategy under section 106 to any unit of local government having a population of 100,000 or more which meets the distress requirements of section 105 on condition that such unit consult with any economic development district of which it is a part in the preparation of such development investment strategy.

"(2) Any State economic development plan prepared with assistance under this section shall be prepared by the State with the active participation of units of local government and economic development districts located in whole or in part within such State and shall set goals for economic development within such State. Each State receiving assistance under this subsection shall submit to the Secretary an annual report on the planning process assisted under this section.

"(3) Any economic development planning by an economic development district or a unit of local government for which a grant is made under this section shall be consistent with the State economic development plan for the State in which such district or unit is located.

"(b) Grants under this section shall be used, to the maximum extent possible, to provide logical coordination of investment for community facilities, economic development, manpower training, and transportation services.

"(c) Any applicant for assistance under this section is encouraged to provide project planning, financial analysis, marketing, management, feasibility studies, and other technical and financial assistance to communities and neighborhoods within its boundaries.

"EVALUATION AND DEMONSTRATION

"SEC. 202. (a) The Secretary is authorized to conduct a program of evaluation of Federal, State, and local development investment efforts in order to—

"(1) assist in determining the causes of unemployment, underemployment, severe economic adjustment problems, and chronic distress in areas and regions of the United States; and

"(2) assist in formulating, implementing, or improving programs at the National, State, or local levels which are designed to increase employment in private firms, assist depressed industry sectors, or otherwise promote economic development or adjustment.

"(b) The Secretary is authorized to conduct any demonstration program to test the feasibility of new ways to increase productivity and growth and the understanding of regional and local economies, to foster innovative technology and research in the field of economic development, to match the labor force with projected labor markets, to improve United States competitiveness, or to encourage economic diversity and regional balance.

"(c) Programs authorized under subsections (a) and (b) of this section may be carried out by the Secretary acting through the staff of the Department of Commerce, in cooperation with or by the provision of funding to other departments or agencies of the Federal Government, or by contract.

"(d) The Secretary is authorized to make grants to colleges, universities, and other nonprofit educational and research organizations to establish and support ongoing programs which provide to businesses and units of local government management and technical assistance for the purposes of promoting productivity, economic development, and employment opportunity.

"(e)(1) The Secretary, in consultation with the Secretary of the Treasury and such other departments and agencies as the Secretary considers appropriate, shall conduct a study—

"(A) regarding the financing needs for the construction, repair, and rehabilitation of public facilities in order to improve the condition of such facilities so that such facilities can adequately meet present levels of service;

"(B) regarding the ability of State and local governments, including special public authorities which own or operate public facilities, to meet such financing needs;

"(C) to determine—

"(i) the present level of financing for public facilities;

"(ii) the types of financing used to meet such financing needs;

"(iii) those obstacles which affect the ability of State and local governments to meet such financing needs;

"(iv) the access, or lack of access, of State and local governments to the private credit market;

"(v) the ability of the private credit market to absorb such financing needs on a taxable or tax-exempt basis;

"(vi) the extent to which debt limitations affect the ability of State and local governments to meet such financing needs, including a survey of such debt limitation factors with respect to each State; and

"(vii) the ability of State and local governments to increase taxes, or impose or increase user fees, in order to meet such financing needs; and

"(D) regarding such other factors as the Secretary deems appropriate in order to assist the Congress in determining the total financing needs necessary to improve such public facilities.

"(2)(A) The Secretary shall transmit to each House of the Congress an interim report not later than June 30, 1986, and shall transmit a final report to each House of the Congress not later than December 31, 1986.

"(B) The final report shall contain a detailed statement of the findings and conclusions of the Secretary, together with the Secretary's recommendations for such legislative or administrative actions as the Secretary considers appropriate.

"(3) For purposes of this subsection, the term 'public facilities' shall only include the following: non-Federal-aid roads and bridges; water supply and distribution systems; sewer systems; solid waste disposal systems; and transportation facilities which represent an element of local, State, area, or regional economic development, such as airports, ports, waterways, and docks.

"FEDERAL SHARE

"SEC. 203. The amount of any grant under section 201 shall not exceed 75 percent of the cost of economic development planning or of the preparation of a development investment strategy. The amount of any grant under section 202(d) shall not exceed 75 percent of the cost of establishing and supporting the ongoing management and technical assistance program. In determining the amount of the non-Federal share of costs under this section, the Secretary shall give due consideration to all contributions both in cash and in kind, fairly evaluated, including but not limited to space, equipment, and services. In the case of a grant to an Indian tribe under section 201, the Secretary may reduce or waive the non-Federal share.

"OBLIGATION OF FUNDS

"SEC. 204. Not later than December 31 of each fiscal year, the Secretary shall obligate for grants under section 201, 90 percent of the funds appropriated for such fiscal year pursuant to this title (other than those funds available for purposes of section 202). The remainder of such funds shall be obligated during such fiscal year only for making grants under section 201 in areas meeting the criteria set forth in section 105(a)(3).

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 205. (a) There is authorized to be appropriated to carry out this title, to be available until expended, $75,000,000 per fiscal year for each of the fiscal years ending September 30, 1986, September 30, 1987, and September 30, 1988.

"(b) Of sums authorized to be appropriated under subsection (a) of this section—

"(1) not to exceed $13,000,000 in the fiscal year ending September 30, 1986, and not to exceed $15,000,000 in each of the fiscal years ending September 30, 1987, and September 30, 1988, shall be available for purposes of subsections (a) through (d) of section 202; and

"(2) not to exceed $2,000,000 in the fiscal year ending September 30, 1986, shall be available until expended for purposes of section 202(e).

"TITLE III—ADMINISTRATION

"DEFINITIONS

"SEC. 301. For purposes of this Act—

"(1) the term 'economic development district' means—

"(A) an economic development district designated on or before January 1, 1985, under section 403(a)(1) of the Public Works and Economic Development Act of 1965; and

"(B) any district within a State which is designated by the Secretary, which district is of sufficient size or population and contains sufficient resources to foster economic development on a scale involving more than one county and does not contain within its boundaries any part of another economic development district designated under subparagraph (A) or under this subparagraph;

"(2) the term 'qualified employee ownership organizations' include—

"(A) a qualified employee trust as defined in section 3(c)(2) of the Small Business Act, except that—

"(i) such term shall not be limited to plans maintained by small business concerns or to loans guaranteed under such Act;

"(ii) in the case of any form of financial assistance, the principles of section 3(c)(2)(B) of such Act shall apply under regulations prescribed by the Secretary; and

"(iii) there shall be periodic reviews of the role, in the management of the concern involved, of employees to whose account stock is allocated; and

"(B) any business organized on a cooperative basis;

"(3) the term 'Indian tribe' means the governing body of a tribe, an Indian authority or tribal organization or entity, an Alaskan Native village, or any Indian group which is recognized as an Indian tribe by the Secretary of the Interior, except that the term 'Indian tribe' shall also include those bodies, authorities, organizations, entities, or groups not recognized by the Secretary of the Interior, if—

"(A) such body, authority, organization, entity, or group is recognized, as of May 5, 1985, as a tribe or other similar appropriate entity by the State in which it is located and such State, as of May 5, 1985, holds land in trust on behalf of such tribe or other similar appropriate entity; and

"(B) the project or assistance involved will be located on such land held in trust or on tribal land;

"(4) the term 'unit of local government' means any city, county, town, parish, village, or other general purpose political subdivision of a State;

"(5) the term 'small business' means a business that is independently owned and operated, is not dominant in its field of operations, and meets such other criteria as the Secretary, after consultation with the Administrator of the Small Business Administration, may by regulation establish, including but not limited to, numbers of employees and dollar volume of business by industrial classes;

"(6) the term 'Secretary' means the Secretary of Commerce; and

"(7) the term 'State' means the several States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, American Samoa, the Trust Territory of the Pacific Islands, and the Commonwealth of the Northern Marianas.

"APPOINTMENT OF ASSISTANT SECRETARY

"SEC. 302. The Secretary shall administer this Act with the assistance of an Assistant Secretary of Commerce, created by section 601 of the Public Works and Economic Development Act of 1965. Such Assistant Secretary shall perform such functions as the Secretary may prescribe.

"CONSULTATION WITH OTHER PERSONS AND AGENCIES

"SEC. 303. (a) The Secretary is authorized from time to time to call together and confer with any persons, including representatives of labor, management, agriculture, and government, who can assist in meeting the problems of area and regional unemployment or underemployment.

"(b) The Secretary may make provisions for such consultation with interested departments and agencies as he may deem appropriate in the performance of the functions vested in him by this Act.

"ADMINISTRATION OF ASSISTANCE

"SEC. 304. No grant shall be approved under this Act unless the Secretary is satisfied that the project for which Federal assistance is granted will be properly and efficiently administered, operated, and maintained.

"POWERS OF THE SECRETARY

"SEC. 305. In performing his duties under this Act, the Secretary is authorized to—

"(1) adopt, alter, and use a seal, which shall be judicially noticed;

"(2) hold such hearings, sit and act at such times and places, and take such testimony, as he may deem advisable;

"(3) request directly from any executive department, bureau, agency, board, commission, office, independent establishment, or instrumentality information, suggestions, estimates, and statistics needed to carry out the purposes of this Act; and each department, bureau, agency, board, commission, office, establishment or instrumentality is authorized to furnish such information, suggestions, estimates, and statistics directly to the Secretary;

"(4) acquire, in any lawful manner, any property (real, personal, or mixed, tangible or intangible), whenever deemed necessary or appropriate to the conduct of the activities authorized by this Act;

"(5) procure by contract the temporary or intermittent services of experts and consultants or organizations therefor as authorized by section 3109(b) of title 5, United States Code, compensate individuals so employed at rates not in excess of $100 per diem, including travel time, and allow them, while away from their homes or regular places of business, travel expenses (including per diem in lieu of subsistence) in accordance with section 5703 of title 5, United States Code, for persons in the Government service employed intermittently, while so employed;

"(6) sue and be sued in any court of record of a State having general jurisdiction or in any United States district court, and jurisdiction is conferred upon such district court to determine such controversies without regard to the amount in controversy; but no attachment, injunction, garnishment, or other similar process, mesne, or final, shall be issued against the Secretary or his property. Nothing herein shall be construed to except the activities under this Act from the application of sections 517, 547, and 2679 of title 28, United States Code; and

"(7) establish such rules, regulations, and procedures as he may deem appropriate in carrying out the provisions of this Act.

"CERTIFICATION

"SEC. 306. (a) The Secretary may discharge any of his responsibilities relative to a project for which a grant may be made under title I of this Act by accepting a certification by the applicant of the applicant's performance of such responsibilities. The Secretary shall promulgate such guidelines and regulations as may be necessary to carry out this section.

"(b) Acceptance by the Secretary of an applicant's certification under this section may be rescinded by the Secretary at any time if, in his opinion, it is necessary to do so.

"SAVINGS PROVISIONS

"SEC. 307. (a) No suit, action, or other proceedings lawfully commenced by or against the Secretary or Assistant Secretary or any other officer in his official capacity or in relation to the discharge of his official duties under the Public Works and Economic Development Act of 1965, shall abate by reason of the taking effect of the provisions of this Act, but the court may, on motion or supplemental petition filed at any time within twelve months after such taking effect, showing a necessity for the survival of such suit, action, or other proceeding to obtain a settlement of the questions involved, allow the same to be maintained by or against the Secretary or Assistant Secretary or such other officer of the Department of Commerce as may be appropriate.

"(b) Except as may be otherwise expressly provided in this Act, all powers and authorities conferred by this Act shall be cumulative and additional to and not in derogation of any powers and authorities otherwise existing. All rules, regulations, orders, authorizations, delegations, or other actions duly issued, made, or taken by or pursuant to applicable law, prior to the effective date of this Act, by any agency, officer, or office pertaining to any functions, powers, and duties under the Public Works and Economic Development Act of 1965 shall continue in full force and effect after the effective date of this Act until modified or rescinded by the Secretary or such other officer of the Department of Commerce as, in accordance with applicable law, may be appropriate.

"ANNUAL REPORT

"SEC. 308. The Secretary shall make a comprehensive and detailed annual report to the Congress of his operations under this Act for each fiscal year beginning with the fiscal year ending September 30, 1986. Such report shall be printed and shall be transmitted to the Congress not later than February 1 of the year following the fiscal year with respect to which such report is made.

"PREVAILING RATE OF WAGE

"SEC. 309. All laborers and mechanics employed by contractors or subcontractors on projects assisted by the Secretary under this Act shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended (40 U.S.C. 276a-276a-5). The Secretary shall not extend any financial assistance under this Act for such project without first obtaining adequate assurance that these labor standards will be maintained upon the construction work. The Secretary of Labor shall have, with respect to the labor standards specified in this provision, the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (15 F.R. 3176; 64 Stat. 1267; 5 U.S.C. App.), and section 2 of the Act of June 13, 1934, as amended (48 Stat. 948; 40 U.S.C. 276c).

"RECORD OF APPLICATIONS

"SEC. 310. The Secretary shall maintain as a permanent part of the records of the Department of Commerce a list of applications approved for a grant under this Act, which shall be kept available for public inspection during the regular business hours of the Department of Commerce. The following information shall be posted in such list as soon as each application is approved: (1) the name of the applicant, (2) the amount and duration of the grant for which application is made, and (3) the purposes for which the proceeds of the grant are to be used.

"RECORDS AND AUDIT

"SEC. 311. (a)(1) Each recipient of a grant under this Act shall keep such records as the Secretary shall prescribe, including records which (A) fully disclose the amount and the disposition by such recipient of the proceeds of such grant, the total cost of the project or undertaking in connection with which such grant is given or used, and the amount and nature of that portion of the

cost of the project or undertaking supplied by other sources, and (B) review the efficiency, economy, and effectiveness of the project carried out under this Act.

"(2) Not later than ten days after January 1 and July 1 of each year, each recipient shall transmit a report to the Secretary containing all information prescribed under paragraph (1) which relates to all activities carried out during the preceding period relating to grants made to it under this Act. Each report submitted in January of each year shall include an audited statement of all funds spent on the project or undertaking during the preceding fiscal year prepared by an independent certified public accountant in accordance with the Standards for Audit of Governmental Organizations, Programs, Activities, and Functions issued by the Comptroller General of the United States.

"(b) For the purpose of reviewing the efficiency, economy, and effectiveness of programs carried out under the provisions of the Act, including audit and examination, the Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of any recipient, subrecipient, contractor, or subcontractor that are pertinent to assistance received under this Act.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 312. There is hereby authorized to be appropriated for salaries and administrative expenses to carry out the provisions of this Act $30,000,000 for the fiscal year ending September 30, 1986, $35,000,000 for the fiscal year ending September 30, 1987, and $40,000,000 for the fiscal year ending September 30, 1988. Appropriations authorized under this Act shall remain available until expended unless otherwise provided by appropriations Acts. Any contract entered into pursuant to this Act shall be effective only to such extent and in such amounts as may be provided in advance in an appropriation Act.".

Mr. LUNDINE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of H.R. 10, the National Development Investment Act. I am a cosponsor of this important legislation and I supported similar bills in the 98th and 97th Congress. I am hopeful that this year H.R. 10 will be enacted into law.

Funding for the Economic Development Administration [EDA] and the Appalachian Regional Commission [ARC] is provided for in this legislation. The EDA and ARC were established to provide various types of assistance to economically distressed areas of the country. Aid for the development of public facilities, such as roads, ports, community water and sewage systems, and education and health facilities, as well as grants for private economic development projects are provided for by EDA and ARC.

It is important to national economic revitalization that we approve this legislation without further delay. Solutions to many of our economic problems can only be found at the local level. I believe, therefore, that State and Federal governments must continue to provide support to facilitate the development of innovative local efforts to address economic problems.

This bill before us today is particularly suited to assist in this effort. It authorizes $500 million in the next 3 fiscal years for a new economic development program to replace the existing Public Works Grant Program. In addition, it authorizes funding for 50-percent Federal matching grants to eligible localities for the development of public infrastructure, for the creation of local revolving funds, and for the establishment of employee stock ownership organizations.

Great care has been taken in this legislation to address the past criticisms of administration of EDA programs. The Business Loan Program is eliminated and to insure that projects funded under this legislation are part of an overall development strategy, the preparation of a development strategy by local concerns interested in assistance is required. Furthermore, to insure that assistance goes to the most distressed communities, eligibility for assistance under the legislation will be determined by a combination of need, as defined by high unemployment or per capita income below the national average, and the ability to prepare an adequate development strategy which provides maximum private sector leveraging for Federal dollars. Finally, the Federal share for capital projects is reduced to 50 percent to assure local commitment.

I am particularly pleased that this legislation contains a provision which allows funding for matching grants for both technical assistance and capital funds to promote employee stock ownership. Such assistance is particularly important in cases where employees seek to purchase plants or firms which otherwise would be shut down.

Employee stock ownership plans [ESOP's] have grown significantly in recent years. There are approximately 5,000 to 6,000 ESOP's in this country today. Most hold only a small percentage of a company's stock. Such stock plans can facilitate the capital expansion of a business, broaden the base of ownership, and provide an incentive for improved productivity.

Most often, access to technical assistance and help in leveraging private credit for potential employee-owned firms is crucial to their success. The employee-ownership provisions of this bill build on the limited, but important, past involvement of EDA under their title IX program.

The advantages of such assistance is no more vividly illustrated than in a case which enabled the employee purchase of specialty steel firm in my congressional district in Dunkirk, NY. In 1976, EDA granted $10 million to the State of New York which was, in turn, loaned to 35 management employees to purchase the Al Tech Specialty Steel Corp. Since then, the record of Al Tech has been very successful. Perhaps the most impressive fact is that within the first 2 years alone, Al Tech employees paid more than $10 million in Federal income taxes.

I also want to express my strong support for title II of this legislation which extends the Appalachian Regional Development Act by adopting a finish-up program for the Appalachian Highway System by 1991 and the area redevelopment program by 1988.

The Appalachian Highway Program, in particular, has been critically important to the upstate New York area and has been instrumental in the construction of the Southern Tier Expressway, the only four-lane, limited-access highway linking our economically depressed rural region with the Interstate System. Traveltime from certain points in upstate New York to New York City has already been reduced from 10 hours to 7 hours, and the Southern Tier Expressway has not yet been completed. I am sure that my colleagues can appreciate the importance of this development and the need to complete this highway project.

In addition to contributing to highway development, much progress has been made in the areas of vocational training, health care delivery, child development, community development, energy and enterprise development, and housing in my district, and in the rest of the Appalachian region. For example, the James Prendergast Library in Jamestown and the Steele Memorial Library in Elmira, two of the most important information centers in my district, were built with ARC library funds. In Steuben County, the regional business development center, sponsored by the Corning Community College, whose graduates have made significant contributions to the economy of the region, was started with ARC vocational education funds. In the field of health, the burn and rehabilitation unit at St. Joseph's Hospital in Elmira was started with $200,000 in ARC funds, and the development of rural ambulatory care at the Salamanca Hospital in Cattaraugus County was assisted with over $300,000 in these funds. I could go on and on with examples of how my congressional district has benefited from ARC funding, but I think that my point is clear. The ARC's contribution to the 14 New York counties has been invaluable and the future of the ARC is of great concern to me.

The 13 Appalachian Governors' 1986 budget request for ARC is $311 million. This is consistent with the Governors' finish-up proposal submitted to Congress in 1981 and with the authorization passed by the House last session. Also, it is consistent with a resolution adopted by the National Governors' Association at its recent meeting. That resolution, in endorsing the con-

cept of multistate regional development strategies and programs, states specifically: "The Administration and Congress should give full financial support to the Governors' plan to provide for phase-out funding for the Appalachian Regional Commission." Consistent with the Governors' request, H.R. 10 includes $234 million for the Appalachian Highway and Access Road Program so that the task of completing the most essential segments of the revised highway plan, such as the Southern Tier Expressway can be completed. I believe that the Governors' 1983-to-1985 record in managing the ARC finish-up program which was worked out with Congress justifies this request for funds in 1986.

If we are to address the serious economic problems we face, this legislation must go forward. I urge my colleagues in the Senate not to permit this bill to die in that body as they did during the last two Congresses. Instead, the Senate should join with the House to design an effective program for local economic development.

I am convinced that we can utilize both our public and private resources more effectively to improve productivity and foster economic growth. The House of Representatives, with my support, took an important first step toward this goal when it approved funding for fiscal year 1986 for the Economic Development Administration on July 17. The passage of H.R. 10 is the next step which must be taken if we wish to see progress in future economic development in this country. I urge my colleagues to join me in supporting this measure.

Mr. APPLEGATE. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the legislation.

At this time, I would like to add my support for H.R. 10. This bill was unanimously reported out of Public Works and Transportation, with very good reason.

This legislation directs valuable resources to a part of this country that has long been distressed and unable to attract necessary capital. The Economic Development Administration and the Appalachian Regional Commission have proven effective in the development of public facilities, community water and sewage systems, and education and health facilities. One must agree in the importance of these facilities for improving the standard of living for many Americans. This legislation is very important in my area of the country. The State of Ohio has had to deal with the closing or phasing out of many industries including steel, coal, pottery, and glass. It is an area that has, in several cases lost the fight against imports and faces high unemployment. I am sure that many of my colleagues can well appreciate this situation and can see the value in this kind of legislation.

The bill is not simply another Government expenditure. It provides economic development grants which have proven to be a much needed boost for the local economies. It also would provide for a revolving loan program that would be administered locally. The community must demonstrate that it can provide the necessary loan management capability before they can even qualify. These two provisions are important due to the nature of this area. In the past, it has been extremely difficult for these communities to attract new business, as well as, necessary investment for capital improvements. This bill would give communities and individuals the tools to compete and increase the prospects for raising revenues. We have the opportunity to stimulate the economies of distressed communities, which in the long run will ease the dependency that they now are forced to have on the Federal Government and the taxpayer.

I urge my colleagues to support this legislation in the name of fiscal responsibility and management.

AMENDMENT OFFERED BY MR. MCCOLLUM

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

The clerk read as follows:

Amendment offered by Mr. McCOLLUM:. Page 11, strike out line 23 and all that follows through page 12, line 13, and insert in lieu thereof the following:

"SEC. 105. (a) In order to be eligible for a grant under this title, the applicant must certify that any activity or project to be funded under such grant will be carried out or located—

"(1) in an area which—

"(A) has a per capita income of 80 percent or less of the national average, and

"(B) has an unemployment rate 1 percent above the national average percentage for the most recent 24-month period for which statistics are available; or

"(2) in an area which has experienced or is about to experience a sudden economic dislocation resulting in job loss that is significant both in terms of the number of jobs eliminated and the effect upon the employment rate of the area.

Mr. McCOLLUM (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the RECORD.

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

There was no objection.

Mr. McCOLLUM. Mr. Chairman, I would like to take this opportunity to commend the Committee on Public Works and Transportation for tightening the eligibility requirements that are in this bill over what the law presently reads. However, I am a member of the Banking Committee, which would have potentially the opportunity to review and offer amendments to this legislation, but we did not take it up and I am at this time taking an opportunity on the floor to offer an amendment that I would have in committee that would further tighten the eligibility requirements for grants under the Economic Development Administration portion of this legislation.

The present law allows over 80 percent of the communities in the country to be eligible for consideration under this program. In H.R. 10 the Public Works Committee recognized the problem and tightened the eligibility requirements, but in looking at the provision and its effects, I am not convinced that the standards in section 105 go far enough.

There are three standards set forth in section 105. In order for an applicant to be considered, it must meet one of these three standards. The standards are that the community must have a per capita income of less than 80 percent of the national per capita income, or have an unemployment rate that is 1 percent greater than the national unemployment rate for the preceding 24 months, or has experienced or is about to experience a sudden economic dislocation.

While these changes are a definite improvement over current law, there will still be about 45 to 50 percent of the country eligible under these provisions.

My amendment would simply require that an area have both a per capita income of less than 80 percent of the national level and have an unemployment rate that is 1 percent greater than the national rate. The third test will remain unchanged as an alternative for communities that do not meet the employment and income standards. The effect of this amendment is to reduce the eligible communities while targeting the funds available for the truly needy.

At a time when we have limited funds available for economic development, defining the truly needy and getting the funding to them takes on an even greater emphasis. An area that has a per capita income of 80 percent of the national average is not necessarily distressed. This could be an area where the cost of living is below the national average or have a significant retired population. An area with high unemployment, while being distressed, may not be a good candidate for Federal help because there is enough wealth and income to support economic development locally.

In any case, by reducing eligible communities, we allow for better administration of the funds because of a reduced workload on the EDA itself. This hopefully will provide greater resources to work with viable and needed projects in the most distressed areas.

Who should vote for my amendment? Well, first of all, I would suggest that those who have severely distressed areas in which an EDA project would have great impact should vote for it because there would be less competition for the grants and there would be more administrative help for the communities involved. Second are those who want to see the limited resources of this Government spent in areas of greatest impact. And third are those who do not believe that nearly 50 percent of this country is economically distressed. And I certainly do not believe that 50 percent is economically distressed.

But we do have limited resources. As has been pointed out, the appropriations process has already been undertaken, we have now conformed this particular bill to numbers and figures in the budget, and so on, but they are only limited resources, and it seems to me that above all else we ought to target those limited resources to those few communities in this country who are truly distressed, who have the high unemployment, and who also have the below the national average of per capita income, as indicated—both, rather than just one. And there is that escape valve that remains, even with my amendment, for the truly distressed area where you do have a dislocation that is occurring. So there could be an exception if in fact that were necessary.

Mr. Chairman, I hope that the majority of my colleagues will support the efficient use of resources of the Federal Government in this area and will vote in favor of my amendment.

Mr. CLINGER. Mr. Chairman, I rise in reluctant opposition to the amendment offered by my friend, the gentleman from Florida [Mr. McCOLLUM].

I say "reluctant" in that I believe the gentleman is attempting to address this whole question of eligibility, but I think there are some misconceptions really about what we are doing here and also about what is really necessary for economic development to take place.

There really is another factor. We have established certain eligibility standards—per capita income and unemployment rates. But beyond that we need to have the prospects for economic development to take place. You cannot have it without having certain factors present in any given community. I would posit the situation where you would have two communities under the amendment offered by the gentleman from Florida, one of which would meet his more stringent eligibility requirements and one of which would not, but the one that would meet those requirements would not have an available work force, would not have the available land, and would not have sufficient local capital to get a synergistic effect with the use of Federal funds to really have a critical mass of economic development take place. The other community which would meet either the per capita requirement or the unemployment-rate requirement would have those very essential elements—an eligible work force, a trained work force, land, local capital, training, et cetera, which are absolutely essential for us to really have the prospects of success in any investment we make.

Under that scenario we would be funding a situation in a community which really would have no prospect of success. It would be in effect putting an investment in an area as a pure subsidy to in effect buy them a little time, but that is about all, because the prospects of really having anything happen there would be really remote.

I think the Members have to keep in mind that the area of eligibility which we address in this bill only means that a community can apply for funds. It does not mean that they are going to get any funds. It does not mean that they are going to be selected for a project. It merely means that they have the eligibility to apply.

As a matter of fact, under the Reagan administration, where the funds have been targeted, even under the very generous eligibility requirements that presently exist, where we have not redesignated an area in 15 years and 80 percent of the country is eligible, actually only about 28 percent of the country has been in receipt of EDA funding over that period of time.

The point is that these applications are considered on a competitive basis, and I believe that EDA needs to have the flexibility which is provided in H.R. 10 to make that kind of selection process, to be able to look at competing communities and say, "Yes, this community may be worse off in terms of what is there and per capita income and unemployment, but the potential for reviving that with EDA assistance just does not exist."

What the McCollum amendment, it seems to me, does is to carry out what we used to call the worst first philosophy, and when I served at EDA as chief counsel, this was a concept that was debated and considered at great length. It was rejected, and I think that the reason it was rejected was the very reason that I have been citing, that there was a feeling very strongly that we could be wasting an awful lot of money if we just went to a worst first situation, and we would be missing a tremendous number of opportunities in adjacent or nearby areas where the potential or the very real potential for improvement and rejuvenation existed.

So, Mr. Chairman, I commend the gentleman for attempting to tighten our bill. I would only state that in my view at least it might have the counterproductive effect of having us end up wasting more money.

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

Mr. CLINGER. I am glad to yield to the gentleman from Florida.

Mr. McCOLLUM. Mr. Chairman, I certainly do not like being on the other side of the issue from my good friend, the gentleman from Pennsylvania. I have the utmost respect for him and for his experience, but it seems to me that with the eligibility we are talking about, we are particularly now faced with this terribly tight limitation on resources, and while what the gentleman is concerned about was undoubtedly true in EDA before, I believe frankly it needs to be reexamined. That is what I am attempting to do here.

It seems to me that this Congress ought to speak its word and really get tight with it because there are too many opportunities for someone down at EDA right now to pass out moneys to communities that might not be so deserving. While there may be a much more limited number that would have the resources to compete under my amendment, I am quite confident, based on my conversations with EDA officials, that we would have many more applications, even under my amendment, than we could possibly fulfill.

Mr. Chairman, I believe that that merits our acceptance of the amendment.

Mr. GRAY of Illinois. Mr. Chairman, I move to strike the last word, and I rise in opposition to the amendment.

Mr. Chairman, I first want to commend the full committee chairman, the gentleman from New Jersey [Mr. HOWARD], and the subcommittee chairman, the gentleman from New York, and the gentleman from Pennsylvania for their outstanding work on H.R. 10.

As I rise in opposition to the amendment offered by the gentleman from Florida [Mr. McCOLLUM], I would like to recite a little poem that I think will tell why we must defeat this amendment and allow this bill to have a broad base so we can induce industry to locate wherever we can find industry that wants to locate:

I watched them tear a building down—
A gang of men in a busy town.
With ho-heave-ho and a lusty yell,
They swung a beam and a sidewall fell.
I asked the foreman,
"Are these men as skilled
As the men you would hire if you had to build?"
He just laughed and said,
"No, indeed,
Just common labor is all you need."
So I said to myself,
As I turned and walked away,
Which of these roles have I tried to play?
Have I been a builder,
Who works with care,
Measuring life by the rule and square,

Making my deeds to a well made plan,
And doing the very best I can?
Or have I been a wrecker,
Who walks the town,
Content with the job of tearing down?

Mr. Chairman, inaction is just as destructive as someone taking a sledge hammer and knocking a building down. Grass will literally grow up in the cracks of a sidewalk if you do not have people active and interested. When you narrow this bill down—and the gentleman from Pennsylvania put his finger right on the problem—to where a contiguous district may have the opportunity of attracting industry, people from a very high-unemployment area can then go over and find a job. That is what this bill tries to do in its present form.

I had the great privilege in 1965 of helping to write the first EDA Act, and that program in the last 20 years has brought 1½ million new jobs to this country at a pittance of a cost of $4.7 billion. And as the distinguished gentleman from Minnesota said earlier, we are now bringing back to local, State, and Federal tax coffers more than $6.5 billion annually. Every year we are getting back more than the initial investment, over the past 20 years.

Take my congressional district in southern Illinois, as an example. We have coal, and when the coal mines go down, there is not a lot you can do to sell coal. But across the Mississippi River is St. Louis, and 300 miles to the north is Chicago. They may have an opportunity of bringing in new industry. And just south of us now is the Saturn plant which is going into Tennessee, and people can migrate from one area to the other in an emergency, until things get better at home. But if you limit the jurisdiction of eligibility, you take away that opportunity.

Let me say parenthetically that this committee bill is a pittance of $300 million. Mr. Chairman, let me say that we gave more money to Egypt last year in foreign aid than the entire authorization in this EDA bill. We should be ashamed of ourselves. We give more money to one country than we are providing for the American unemployed worker. This $300 million includes loans, grants, and money to make surveys and planning, and here we want to tighten it down just a little tighter so if it falls just 1 percentage point below the national average and some industry wants to locate, we have to say, "Well, I'm sorry, but we can't help you."

So, I ask my colleagues, vote down this amendment and let us vote the bill up and let us begin to think about increasing the amount of authorization and appropriations for the development of our own country.

We had one plant in my district, the Mark Twain boat plant. We gave them an EDA loan of $2 million. Think of this. They have already paid back that loan down to $300,000, and the company has paid $85 million in local payroll since the inception of that plant. I could go on and on and on and tell you about projects in my district—over 2,000 new jobs funded by EDA.

Let us vote down the amendment. I can understand my friend, the gentleman from Florida, because they are all moving out of these industrial areas right into the Sun Belt. They are going down where they can enjoy the gentleman's district. It is a beautiful area, and I like to visit it. But why do we want to siphon off what chance we have got of keeping jobs in these industrial areas and allow them to go to the Sun Belt and other places?

So, Mr. Chairman, I ask for a no vote on the gentleman's amendment. Let us pass this bill and get on with the job of providing jobs in this great country. Thank you.

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

Mr. Chairman, I would like to ask the gentleman from Florida just in what way he changes the criteria for eligibility. I yield to the gentleman.

Mr. McCOLLUM. Mr. Chairman, I would just respond to the gentleman from Minnesota by saying that at the present time, there are three standards that are required; a standard dealing with the unemployment rate having to be over 1 percent. If in fact it is over 1 percent of the national average, then indeed you are eligible. If in fact under the particular law as it now exists in this bill, the per capita income of the community is 80 percent or less than the national average, the community is eligible, or if there is a situation in which a community or an area is experiencing or is about to experience a sudden economic distress or dislocation, under my amendment I simply combine the first two and that way you have got to have both a high unemployment rate of 1 percent above the national average and you also have to have a per capita income of 80 percent or less than the national average.

It is my understanding, if I might take the time to say this, that right now about 80 percent of the communities in America are eligible for EDA moneys. Under this legislation that is pending, without my amendment, about half the communities in the country are, and the best estimate out of the EDA is, if my amendment passed, about 25 percent or a quarter of all the communities in the country, would still be eligible for EDA moneys, which seems to me to be extraordinarily high, but nevertheless, that is where it would be under my amendment.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman for his explanation.

It does seem to me if the program is to be reduced, that it ought to have some sense of priority about it. We have always been told that this program was going to relieve distress. My personal opinion of it is that it has been relatively unsuccessful in meeting that purpose.

It seems unbelievable to me that half the United States would be eligible. We have a lot of distress, that is true, but that is quite a lot, half the United States.

I think the gentleman's amendment is rather important. I think it is one in which the House ought to be casting a vote. I cannot imagine that we would spread the taxpayers' bread that broadly on the waters so that half the American communities would be eligible for what most people believe is a particular aid to communities of relatively intense distress.

Mr. Chairman, I did not want to interrupt the love feast that took place in the scheduled debate, but it is my intention to vote against this bill anyway, because I think this program is not one of the essential ones that the Republic requires for growth and property.

I do not deny that federally stimulated investment is always the best way for growth, but I do think if we are to have a program, it makes an awful lot of sense to have our people have some confidence that they direct not toward areas where you can do pretty well or which are not doing badly by themselves, but areas where there is some genuine distress.

I do not know if the criteria of the gentleman from Florida are the best or the worst. At least they are tighter and seem to focus the bill better.

I therefore support the gentleman's amendment.

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

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

Mr. McCOLLUM. Mr. Chairman, I think that is the very point. I am trying to target it to a very narrow range of realism. While we might have great debate over whether we ought to have a program or not, it seems apparent that the majority is going to vote for the program, or already has, the vast majority; but while we are going to spend $300 million, that is a very small amount of money overall, and as the gentleman says, we ought to narrow it down, target it down.

Mr. FRENZEL. Mr. Chairman, I thank the gentleman.

Mr. GRAY of Illinois. Mr. Chairman, will the gentleman yield?

Mr. FRENZEL. I yield to my distinguished colleague, the gentleman from Illinois.

Mr. GRAY of Illinois. Mr. Chairman, I thank my friend for yielding, and although I do not agree with his position on this bill, I wanted to rise and compliment the gentleman on the outstanding job he did this morning on C-SPAN.

Mr. FRENZEL. I thank the gentleman.

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

First of all, Mr. Chairman, let us get the facts straight. The bill as drafted, with the criteria written in the legislation, apply to roughly 40 percent, probably a little bit less than that, of the population of the country. That is not an abstract number. That is not almost 50 percent—that is 40 percent. If the economy gets worse, the number could go higher because the distress would be reflected in the total economy of this country and be spread wider across the United States.

The previous criteria, those that are in current law, if applied as written in the law, would cover 80 percent of the population. We recognize that was not terribly well focused. There are a number of counties and labor market areas in the United States that are grandfathered in, I would say to the gentleman from Minnesota, grandfathered in under current law. We have stricken grandfathering. That would no longer be applicable under H.R. 10. Areas that are not eligible under any criteria will no longer be eligible under this legislation.

Further, as the program is administered currently, roughly 28 percent of the country is receiving—that is population-wise—is receiving assistance from EDA.

The gentleman's criteria, those in the pending amendment, combining the two essential features of our criteria in this bill, would narrow the application of EDA to roughly 25 percent of the population. This would not be a worst-first criteria, but a worst-only criteria and would strike at cities. This is aimed principally, whether the gentleman intends it that way or not, its thrust is principally at urbanized areas and would largely disqualify such areas from ever receiving consideration under this EDA program, and I think that is entirely wrong.

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

Mr. OBERSTAR. I yield to the gentleman from New Jersey.

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

We do have criteria in the bill for less than 80 percent of the average national income, I believe, and/or over 1 percent above the national unemployment level; is that correct?

Mr. OBERSTAR. Yes.

Mr. HOWARD. If we combine the two, then we must have both, and is it not true that an area that may have 5 or 10 or 15 percent unemployment above the national average might not be eligible under this program?

Mr. OBERSTAR. That is entirely possible. The gentleman is correct.

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

Mr. OBERSTAR. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I appreciate the gentleman yielding to me.

I rise to oppose the McCollum amendment at well. It seems to me that the amendment ties the hands of the agency administering this program. The track record of this agency, of the EDA, has been overwhelmingly successful over the last 15 or 20 or so years of its administration.

I would not think that we could improve the capacity of the agency to administer this program by severely restricting it as this amendment would attempt to do.

I thank the gentleman for yielding.

Mr. OBERSTAR. Mr. Chairman, I thank the gentleman for his comment. He is absolutely right.

Mr. Chairman, I want to make one further point, and that is that there is another element of targeting in this legislation which was the specific contribution of our former colleague and former ranking member of the House Public Works and Transportation Committee, the gentleman from California, Mr. DON CLAUSEN. Under his recommendation, we have limited the dollar amount to $1 million per project. That assures that the funds will go to the relatively smaller population areas and to only those that have the greatest need. That is the way this program is now being administered and that is the way it would be administered under the provisions of the pending bill.

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

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

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

I certainly agree with the gentleman that this bill as it has come out of the committee is far better than existing law. But I disagree strongly that we should not narrow it even further. It seems to me that we are not going to be hurting the truly economically distressed areas, because if you have got dislocation regardless whether it is urban or rural or wherever it is, you have got an escape valve for that, and Lord knows we have a number of those right now that need to be taken care of, and in addition to that, with the criteria that I have established in my amendment, you really and truly are getting those people who are in need, and that is the objective.

I mean, everybody here today said $300 million does not go very far when you spread it across the waters. It just seems to me that we have no business keeping eligible 40, 45, or 50 percent, whatever it is; EDA told me 45 to 50 percent; the gentleman says 40, but whatever, 25 percent that it would be under my amendment seems to me to be perfectly adequate.

I understand the gentleman's point.

The CHAIRMAN. The time of the gentleman from Minnesota [Mr. OBERSTAR] has expired.

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

Mr. OBERSTAR. First from the budgetary standpoint, Mr. Chairman, we have looked at the total dollar amount committed in this legislation. That dollar amount has already been reduced substantially by the chairman's amendment. The Howard amendment cuts 20 percent, so our funding universe is already relatively small.

Second, with the criteria that we have written into the bill, we have narrowed the focus of the existing EDA Program to those most distressed areas that have 80 percent per capita income or 1 percent above national average unemployment for 24 months. That is a long period of time to require an area to be distressed in order to qualify for assistance.

Third, we limit the amount of money that can go to any individual project.

If $300 million were appropriated, which it has not been in several years, you would have 300 projects for the whole country if the maximum of $1 million per project were approved. That is not spreading it over 40 or 50 percent of the United States; so we have already a very limited program.

I urge the Committee to defeat the amendment.

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

Mr. Chairman, I rise in opposition to the amendment. I will not take all the time that is allowed.

I just would like to say that the words of the gentleman from Illinois [Mr. GRAY] and the gentleman from Minnesota [Mr. OBERSTAR] make a lot of sense.

I look back at my first term. I remember the debate on the foreign aid bill. This House passed by a voice vote $13 billion plus without even calling for a recorded vote. Now we are here discussing America's infrastructure needs, economically distressed communities, areas which have been targeted by blight and rust bowls and now all the national debt defenders are out talking about breaking the bank with this type of legislation.

I would like to talk about, with the gentleman's amendment and I believe the gentleman means well, the gentleman probably knows much more about

it than I do from his past experience; but I represent a district that has one of the highest unemployment levels in all America, having lost all its steel mills. If we pass the gentleman's amendment I probably would not qualify in my district because of the 80 percent per capita provision.

Our unemployment was 29.3 percent last summer in the city of Youngstown, which was 5 percentage points higher than the Great Depression years.

Now, I think this type of legislation is targeted toward communities certainly that must be like mine, because if it is not, it makes no sense at all. If we would take this type of action, we would emasculate and cut the pins out from under the legislation. It will absolutely have no effect and no bearing on a district such as mine and that in my opinion would be really a tragedy.

In my particular town, the city of Youngstown has created low interest subsidy loan programs and with $1 million made available to small businesses, they have created $12.5 million worth of economic development alone, on their own level, and created in excess of 200 jobs.

Now, this is an area that lost over 50,000 jobs in the last 7 or 8 years and for every job that is being created at $4 and $5 an hour, we are losing two jobs at $10 to $12 an hour with the continuing industrial manufacturing blight.

All I have to say is that I cannot fathom the thought that we would continue to assume a posture that is going to negate and wreck the American industrial and manufacturing base and economic development.

All I want to say is that I am strongly opposed to the gentleman's amendment and I hope everybody that is listening to what I say, you might be in a position such as mine where you have tough economic times and with this amendment you would not even qualify for the benefits that are being planned.

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

Mr. TRAFICANT. I yield.

Mr. McCOLLUM. Mr. Chairman, I wanted to point out to the gentleman that his community would qualify even with my amendment, because the gentleman has just described a severely dislocated area from the standpoint of unemployment. It seems to me that clearly is there, still an alternative method of qualification and eligibility under this legislation, regardless of my amendment.

I wanted to make sure the gentleman recognizes that fact and in fact this would target the efforts of this legislation to areas where there has been dislocation and distress.

Mr. TRAFICANT. I appreciate that. I want to say this. I am not quite so sure that I would qualify, I am really not. I would have to really investigate and not be rolling the dice here whether or not I would accept the gentleman's amendment.

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

Mr. TRAFICANT. Go right ahead.

Mr. McCOLLUM. I want to point out also to the gentleman that what we are attempting to do here is to take some of the appearance of pork barrel out of this bill, which has always been around the EDA is the past. The idea the public has is the idea that we are spreading this to 80 percent of the people.

Mr. TRAFICANT. Mr. Chairman, I will reclaim my time.

I think when we talk about infrastructure in American jobs, we seem to talk about pork barrel.

I agree with what the chairman of the Appropriations Subcommittee, the gentleman from Mississippi, Mr. JAMIE WHITTEN, said down at the Tom Bigbee inaugural. He said, "You may call it pork barrel, but we are leaving jobs for our children." I think we had better start looking at that, so I really do not want to hear much more about pork barrel.

I really appreciate the efforts of this committee and I think everybody should be very careful before they vote for the gentleman's amendment.

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

I would like to advise the House that this is really one of the questions that this committee looked at very carefully over a long period of time. This eligibility criteria was put together and it meant a great deal to the committee during the legislative markup and also before that during the hearing process where we tried to really balance this kind of criteria that would best serve and implement really the tenets of the bill.

I feel that the gentleman has put forth a thoughtful amendment, but it is something that we have looked at and tried to really bring about that delicate balance that makes success.

We have struck from the eligible population of the country 80 percent from the previous legislation to where H.R. 10 brings that down to practically 40 to 42 percent of the population.

I want to mention that the statistics as we look at this bill and what has happened in the past, we find that for the 5-year period, and we have taken a 5-year period, fiscal years 1980 to 1984, the average of the actual recipients of grants was only 30 percent; so if 30 percent received under the 80 percent that was eligible, we felt by bringing the eligibility down to 40 percent, we could narrow it; so the gentleman and the committee have really done the same thing. We have done it in the bill.

Really, I believe the gentleman's amendment bringing it down to 25 percent would be a little bit too stringent. I would rather have the House take a look at the experience of 1 year or possibly the next session when if this bill is enacted and we could operate under the 40 percent, we would be targeting then in my opinion much closer to what the gentleman wants to mandate through the discretionary administrative priorities that this administration would set for these types of grants in the future.

So I would hope that the House does not upset that balance. It is a thoughtful amendment, but I think we will be able to work with it.

One other point, this committee has requested and received from the administration now monthly reports as to the progress they are making in looking at and implementing all the program money, so our oversight has improved.

We would hope that we can work with the gentleman to improve that oversight and extend it into the future so that we can get a handle on whether or not this 40 percent that we have now is sufficiently targeting this money. I think it will. I would hate to disturb the balance at this late date without the Members knowing what portions of their cities or their counties would become eligible or would not become eligible.

I think we have got the best possible world with the present legislation as amended and I hope we can defeat this amendment.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida [Mr. McCOLLUM].

The question was taken; and the chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. McCOLLUM. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 109, noes 247, not voting 78, as follows:

[Roll No. 291]

AYES—109

Archer	Crane	Huckaby
Armey	Daniel	Ireland
Badham	Daub	Jacobs
Bartlett	DeLay	Kanjorski
Barton	DeWine	Kasich
Bates	Dickinson	Kemp
Bennett	DioGuardi	Kindness
Bereuter	Dorgan (ND)	Kolbe
Bliley	Dornan (CA)	Kramer
Boucher	Duncan	Lagomarsino
Boulter	Eckert (NY)	Lewis (FL)
Broomfield	Fawell	Livingston
Brown (CO)	Fiedler	Lujan
Broyhill	Franklin	Lundine
Burton (IN)	Frenzel	Lungren
Callahan	Gingrich	Mack
Carper	Gradison	Marlenee
Chandler	Grotberg	McCandless
Cheney	Gunderson	McCollum
Cobey	Hansen	McMillan
Coble	Hiler	Meyers
Combest	Holt	Mica
Craig	Hopkins	Miller (OH)

Miller (WA)
Monson
Moore
Moorhead
Morrison (WA)
Myers
Nielson
Olin
Oxley
Packard
Parris
Penny
Petri
Regula
Roberts
Roemer
Rowland (CT)
Rudd
Sensenbrenner
Shumway
Skeen
Slaughter
Smith (NE)
Smith (NH)
Smith, Denny
Stallings
Stenholm
Strang
Stump
Sundquist
Swindall
Tauzin
Vucanovich
Walker
Weber
Whitehurst
Whittaker
Wolf
Wylie
Zschau

NOES—247

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
Barnard
Barnes
Bateman
Bedell
Beilenson
Bentley
Boehlert
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boxer
Brooks
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carney
Carr
Chapman
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Conte
Cooper
Coughlin
Courter
Coyne
Darden
Daschle
Davis
de la Garza
Dellums
Derrick
Dingell
Dixon
Donnelly
Dowdy
Downey
Durbin
Dwyer
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Edwards (OK)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Feighan
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gilman
Glickman
Gonzalez
Goodling
Gordon
Gray (IL)
Green
Guarini
Hall (OH)
Hall, Ralph
Hamilton
Hammerschmidt
Hatcher
Hefner
Hendon
Henry
Hertel
Horton
Howard
Hoyer
Hubbard
Hughes
Hutto
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kastenmeier
Kennelly
Kildee
Kleczka
Kolter
Kostmayer
LaFalce
Latta
Leath (TX)
Lehman (FL)
Leland
Lent
Levin (MI)
Lewis (CA)
Lightfoot
Lipinski
Lloyd
Lowry (WA)
Luken
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McGrath
McHugh
McKernan
McKinney
Michel
Mikulski
Miller (CA)
Mineta
Mitchell
Molinari
Mollohan
Montgomery
Moody
Morrison (CT)
Mrazek
Murphy
Murtha
Natcher
Neal
Nowak
Oakar
Oberstar
Obey
Ortiz
Panetta
Pease
Perkins
Porter
Price
Pursell
Quillen
Rahall
Rangel
Ray
Reid
Ridge
Rinaldo
Ritter
Robinson
Rogers
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shuster
Sikorski
Siljander
Sisisky
Slattery
Smith (FL)
Smith (NJ)
Snowe
Spence
Spratt
Staggers
Stark
Stokes
Stratton
Studds
Sweeney
Swift
Synar
Tallon
Tauke
Thomas (GA)
Torres
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Walgren
Weaver
Weiss
Wheat
Whitley
Whitten
Williams
Wilson
Wise
Wolpe
Wright
Wyden
Yates
Yatron
Young (FL)
Young (MO)

NOT VOTING—78

Addabbo
Akaka
AuCoin
Berman
Bevill
Biaggi
Biliraki
Boggs
Breaux
Campbell
Chappell
Chappie
Collins
Conyers
Crockett
Dannemeyer
Dicks
Dreier
Dymally
Fazio
Fields
Fish
Gibbons
Gray (PA)
Gregg
Hartnett
Hawkins
Hayes
Heftel
Hillis
Hunter
Hyde
Jones (NC)
Kaptur
Lantos
Leach (IA)
Lehman (CA)
Levine (CA)
Loeffler
Long
Lott
Lowery (CA)
MacKay
Martinez
McCain
Moakley
Nelson
Nichols
O'Brien
Owens
Pashayan
Pepper
Pickle
Richardson
Rodino
Roe
Roth
Schaefer
Scheuer
Seiberling
Shaw
Shelby
Skelton
Smith (IA)
Smith, Robert
Snyder
Solarz
Solomon
St Germain
Stangeland
Taylor
Thomas (CA)
Udall
Watkins
Waxman
Wirth
Wortley
Young (AK)

□ 1450

The Clerk announced the following pairs:

On this vote:

Mr. McKay for, with Mr. Owens against.

Mr. Nelson of Florida for, with Ms. Kaptur against.

Mr. Shaw for, with Mr. Long against.

Mr. Thomas of California for, with Mrs. Collins against.

Messrs. WHEAT, VENTO, MOODY, JONES of Tennessee, MADIGAN, and CARR changed their votes from "aye" to "no."

So the amendment was rejected.

The result of the vote was announced as above recorded.

The CHAIRMAN. Are there further amendments to title I of the bill?

If not, the Clerk will designate title II.

The text of title II is as follows:

TITLE II—APPALACHIAN REGIONAL DEVELOPMENT

SEC. 201. This title may be cited as the "Appalachian Regional Development Act Amendments of 1985".

SEC. 202. The sixth sentence of subsection (a) of section 2 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: "and in severely distressed and underdeveloped counties lacking resources for basic services.".

SEC. 203. Subsection (b) of section 105 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof the following: ", and not to exceed $5,800,000 for the two-fiscal-year period ending September 30, 1987 (of such amount not to exceed $900,000 shall be available for expenses of the Federal cochairman, his alternate and his staff), and not to exceed $5,800,000 for the two-fiscal-year period ending September 30, 1989 (of such amount not to exceed $900,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff), and not to exceed $2,900,000 for the fiscal year ending September 30, 1990 (of such amount not to exceed $450,000 shall be available for expenses of the Federal cochairman, his alternate, and his staff).".

SEC. 204. Paragraph (7) of section 106 of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1990".

SEC. 205. (a) Subsection (g) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking out the period at the end thereof and inserting in lieu thereof a semicolon and the following: "$234,000,000 for fiscal year 1986; $250,000,000 for fiscal year 1987; $270,000,000 for fiscal year 1988; $289,000,000 for fiscal year 1989; $312,000,000 for fiscal year 1990; $337,000,000 for fiscal year 1991; and $364,000,000 for fiscal year 1992.".

(b) Subsection (h)(1) of section 201 of the Appalachian Regional Development Act of 1965 is amended by striking out "70 per centum" and inserting in lieu thereof "80 per centum". The amendment made by the preceding sentence shall apply to projects approved after March 31, 1979.

SEC. 206. Subsection (c) of section 214 of the Appalachian Regional Development Act of 1965 is amended by striking out "December 31, 1980" and inserting in lieu thereof "October 1, 1990" in the first sentence, and by inserting "authorized by title 23, United States Code" after "road construction" in the second sentence.

SEC. 207. Part B of title II of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following new section:

"ECONOMIC ENHANCEMENT GRANTS

"SEC. 215. The Commission is authorized to make grants to States and public and nonprofit entities for projects, approved pursuant to section 303 of this Act, which will—

"(1) assist in the creation or retention of permanent private sector jobs, the upgrading of the region's manpower, or the attraction of private investment;

"(2) provide special assistance to severely distressed and underdeveloped counties which lack financial resources for improving basic services;

"(3) assist in achieving the goal of making primary health care accessible in the region; or

"(4) otherwise serve the purposes of this Act.".

SEC. 208. Clause (2) of subsection (b) of section 224 of the Appalachian Regional Development Act of 1965 is amended to read as follows: "(2) to enable plant subcontractors to undertake work theretofore performed in another area by other subcontractors or contractors;".

SEC. 209. Section 224 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the following new subsection:

"(d) Notwithstanding any other provision of this Act, grants with funds authorized under this Act shall not, after October 1, 1985, exceed 50 per centum of the costs of any project approved under this Act (except projects under section 201); but such grants may increase the Federal contribution to any project, notwithstanding limitations in other Federal laws, to such percentage as the Commission determines within the limitations in this Act.".

SEC. 210. Section 401 of the Appalachian Regional Development Act of 1965 is amended by adding at the end thereof the

following: "In addition to the appropriations authorized in section 105 for administrative expenses, and in section 201(g) for the Appalachian development highway system and local access roads, there is authorized to be appropriated to the President, to be available until expended, to carry out this Act, $166,000,000 for the two-fiscal-year period ending September 30, 1987; $158,000,000 for the two-fiscal-year period ending September 30, 1989; and $75,000,000 for the fiscal year period ending September 30, 1990.".

SEC. 211. Section 405 of the Appalachian Regional Development Act of 1965 is amended by striking out "1982" and inserting in lieu thereof "1990".

The CHAIRMAN. Are there any amendments to title II?

Are there any further amendments to the bill?

Under the rule, the Committee rises.

□ 1510

Accordingly the Committee rose; and the Speaker having assumed the chair, Mr. HOYER, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 10) to amend the Public Works and Economic Development Act of 1965 and the Appalachian Regional Development Act of 1965, pursuant to House Resolution 223, he reported the bill back to the House with sundry amendments adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment? If not, the Chair will put them en gros.

The amendments were agreed to.

The SPEAKER. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

MOTION TO RECOMMIT OFFERED BY MR. SUNDQUIST

Mr. SUNDQUIST. Mr. Speaker, I offer a motion to recommit.

The SPEAKER. Is the gentleman opposed to the bill?

Mr. SUNDQUIST. I am, Mr. Speaker, in its present form.

The SPEAKER. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. SUNDQUIST moves to recommit the bill, H.R. 10, to the Committee on Public Works and Transportation.

The SPEAKER. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER. The question is on the motion to recommit.

The motion to recommit was rejected.

The SPEAKER. The question is on the passage of the bill.

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

RECORDED VOTE

Mr. FRENZEL. Mr. Speaker, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 260, noes 96, not voting 78, as follows:

[Roll No. 292]

AYES—260

Ackerman
Alexander
Anderson
Andrews
Annunzio
Anthony
Applegate
Aspin
Atkins
Barnard
Barnes
Bateman
Bedell
Beilenson
Bennett
Bentley
Boehlert
Boland
Boner (TN)
Bonior (MI)
Bonker
Borski
Bosco
Boucher
Boxer
Brooks
Broomfield
Brown (CA)
Bruce
Bryant
Burton (CA)
Bustamante
Byron
Carney
Carper
Carr
Chandler
Chappell
Clay
Clinger
Coats
Coelho
Coleman (MO)
Coleman (TX)
Conte
Cooper
Coughlin
Courter
Coyne
Darden
Daschle
Davis
de la Garza
Dellums
Derrick
Dingell
Dixon
Donnelly
Dowdy
Downey
Duncan
Durbin
Dwyer
Dyson
Early
Eckart (OH)
Edgar
Edwards (CA)
Emerson
English
Erdreich
Evans (IA)
Evans (IL)
Fascell
Feighan
Fiedler
Flippo
Florio
Foglietta
Foley
Ford (MI)
Ford (TN)
Fowler
Frank
Frost
Fuqua
Gallo
Garcia
Gaydos
Gejdenson
Gekas
Gephardt
Gilman
Gingrich
Glickman
Gonzalez
Goodling
Gordon
Gray (IL)
Green
Guarini
Hall (OH)
Hamilton
Hammerschmidt
Hatcher
Hefner
Hendon
Henry
Hertel
Horton
Howard
Hoyer
Huckaby
Hughes
Hutto
Jeffords
Jenkins
Johnson
Jones (OK)
Jones (TN)
Kanjorski
Kastenmeier
Kennelly
Kildee
Kindness
Kleczka
Kolter
Kostmayer
LaFalce
Leath (TX)
Lehman (FL)
Leland
Lent
Levin (MI)
Lewis (CA)
Lewis (FL)
Lightfoot
Lipinski
Lloyd
Lowry (WA)
Lujan
Luken
Lundine
Madigan
Manton
Markey
Martin (IL)
Martin (NY)
Matsui
Mavroules
Mazzoli
McCloskey
McCurdy
McDade
McEwen
McHugh
McKernan
McKinney
Mica
Michel
Mikulski
Miller (CA)
Miller (OH)
Mineta
Mitchell
Molinari
Mollohan
Montgomery
Moody
Moore
Morrison (CT)
Morrison (WA)
Mrazek
Murphy
Murtha
Natcher
Neal
Nowak
Oakar
Oberstar
Obey
Ortiz
Panetta
Pease
Penny
Perkins
Price
Pursell
Quillen
Rahall
Rangel
Ray
Reid
Ridge
Rinaldo
Ritter
Robinson
Rogers
Rose
Rostenkowski
Roukema
Rowland (GA)
Roybal
Russo
Sabo
Savage
Saxton
Schneider
Schroeder
Schuette
Schulze
Schumer
Sharp
Shuster
Sikorski
Sisisky
Smith (FL)
Smith (NJ)
Snowe
Spence
Spratt
Staggers
Stallings
Stark
Stokes
Stratton
Studds
Swift
Synar
Tallon
Tauzin
Thomas (GA)
Torricelli
Towns
Traficant
Traxler
Valentine
Vander Jagt
Vento
Visclosky
Volkmer
Vucanovich
Walgren
Waxman
Weaver
Weiss
Wheat
Whitehurst
Whitley
Whitten
Williams
Wilson
Wise
Wolpe
Wright
Wyden
Yates
Yatron
Young (FL)
Young (MO)

NOES—96

Archer
Armey
Badham
Bartlett
Barton
Bates
Bereuter
Bliley
Boulter
Brown (CO)
Broyhill
Burton (IN)
Callahan
Chapman
Cheney
Cobey
Coble
Combest
Craig
Crane
Daniel
Daub
DeLay
DeWine
Dickinson
DioGuardi
Dorgan (ND)
Dornan (CA)
Eckert (NY)
Edwards (OK)
Fawell
Franklin
Frenzel
Gradison
Grotberg
Gunderson
Hall, Ralph
Hansen
Hiler
Holt
Hopkins
Hubbard
Ireland
Jacobs
Kasich
Kemp
Kolbe
Kramer
Lagomarsino
Latta
Livingston
Lungren
Mack
Marlenee
McCandless
McCollum
McGrath
McMillan
Meyers
Miller (WA)
Monson
Moorhead
Myers
Nielson
Olin
Oxley
Packard
Parris
Petri
Porter
Regula
Roberts
Roemer
Rowland (CT)
Rudd
Sensenbrenner
Shumway
Siljander
Skeen
Slattery
Slaughter
Smith (NE)
Smith (NH)
Smith, Denny
Stenholm
Strang
Stump
Sundquist
Sweeney
Tauke
Walker
Weber
Whittaker
Wolf
Wylie
Zschau

NOT VOTING—78

Addabbo
Akaka
AuCoin
Berman
Bevill
Biaggi
Bilirakis
Boggs
Breaux
Campbell
Chappie
Collins
Conyers
Crockett
Dannemeyer
Dicks
Dreier
Dymally
Fazio
Fields
Fish
Gibbons
Gray (PA)
Gregg
Hartnett
Hawkins
Hayes
Heftel
Hillis
Hunter
Hyde
Jones (NC)
Kaptur
Lantos
Leach (IA)
Lehman (CA)
Levine (CA)
Loeffler
Long
Lott
Lowery (CA)
MacKay
Martinez
McCain
Moakley
Nelson
Nichols
O'Brien
Owens
Pashayan
Pepper
Pickle
Richardson
Rodino
Roe
Roth
Schaefer
Scheuer
Seiberling
Shaw
Shelby
Skelton
Smith (IA)
Smith, Robert
Snyder
Solarz
Solomon
St Germain
Stangeland
Swindall
Taylor
Thomas (CA)
Torres
Udall
Watkins
Wirth
Wortley
Young (AK)

□ 1520

The Clerk announced the following pair:

On this vote:

Mr. Breaux for, with Mr. Nelson of Florida against.

Mrs. ROUKEMA changed her vote from "no" to "aye."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. NOWAK. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks, and to include extraneous matter, on the bill just passed.

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

There was no objection.

WITHDRAWAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 77

Mr. WHITEHURST. Mr. Speaker, I ask unanimous consent that my name be withdrawn as cosponsor of H.R. 77.

The SPEAKER pro tempore (Mr. GRAY of Illinois). Is there objection to the request of the gentleman from Virginia?

There was no objection.

OPERATION LIAPP: SAVING MICHIGAN'S BLACK HISTORY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan [Mr. CROCKETT] is recognized for 5 minutes.

Mr. CROCKETT. Mr. Speaker, I am very proud today to share with my colleagues the important work being done in Detroit by the Museum of African-American History, under the direction of Dr. Charles Wright, to document and make available the historical records of black accomplishments in Michigan.

Seventy years ago, in 1915, the "Michigan Manual of Freedmen's Progress" was published in Detroit, chronicling the contributions of blacks to the professional and cultural life of our community. Today, under the able direction of editor and publisher John Green, "Operation LIAPP" has been initiated. This project, designed to assist in the location, identification, and authentication of descendants of those mentioned in the "Michigan Manual," and the preservation and dissemination of that information to a wider audience, also calls attention to the anniversary of the first publication of the manual. Operation LIAPP also has taken on the awesome task of updating the material in the "Michigan Manual." Mr. Green and his staff will republish the "Michigan Manual," under the title "Negroes in Michigan History," with supplementary volumes with the updated research as they become available.

I salute the Museum of African-American History for this important undertaking, and especially editor John Green, whose exhaustive efforts over many years have led to the reality of publication.

I would like, for the benefit of my colleagues, to include in today's CONGRESSIONAL RECORD, and tomorrow's, excerpts from the "Michigan Manual of Freedmen's Progress," and commend to them the entire work:

MICHIGAN MANUAL OF FREEDMEN'S PROGRESS

(Compiled by Francis H. Warren, Secretary of Freedmen's Progress Commission)

(Authorized By Act 47, Public Acts 1915, Detroit, Michigan, 1915)

(John M. Green, Editor, Publisher)

OFFICERS OF FREEDMEN'S PROGRESS COMMISSION, ORGANIZED APRIL 21, 1915

Members of Commission

Oscar W. Baker, President, Shearer Bros. Bldg., Bay City.
Wm. R. Roberts, Vice-President.
Wilmot A. Johnson.
Mary E. McCoy, Field Agent Eastern Michigan.
Charles A. Warren.
L. Margaret Williams.
Ellsworth L. Curtis, Field Agent Western Michigan.
S. Henri Browne.
Francis H. Warren, Secretary, 325 Broadway Market Bldg., Detroit, Michigan.

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Wm. R. Roberts, Vice-President.
L. Margaret Williams.
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S. Henri Browne.
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Cleage, Dr. A. B., Kalamazoo.
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Cole, Mrs. Mary, Detroit.
Cole, William E., Detroit.
Collins, Walter G., Lansing.
Craig, Horace E., Lansing.
Cross, William, Bay City.
Dalton, Jerome, Detroit.
Davis, Gabriel, Detroit.
Dungey, Andrew W., Lansing.
Edwards, Rev. W., Kalamazoo.
Edwoods, Cornelius, Bay City.
Ernest, F. William, Detroit.
Evans, Mr. Charles, Kalamazoo.
Evans, Rev. Joseph M., Detroit.
Everett, Rev. Peter, Lansing.
Fairfax, Daniel, Bay City.
Goodrich, Wallace L., Saginaw.
Green, Mrs. Annie Glover, Detroit.
Harris, Emerson, Kalamazoo.
Harris, James E., Detroit.
Harrison, Charles, Bay City.
Henderson, Rev. J. M., Detroit.
Henry, George, Saginaw.
Howard, Mrs. Carrie, Detroit.
Hawkins, Miss E. Fannie, Detroit.
Jackson, John B., Bay City.
Jarvis, Joseph W., D.D., Lansing.
Jeffrey, Romain, Detroit.
Johnson, Dr. A. H., Detroit.
Johnson, Dr. H. Peyton, Detroit.
Johnson, Rev. T. C., Kalamazoo.
Jones, Preston, Detroit.
Kemp, William P., Detroit.
Kersey, John, Bay City.
Lester, Benj., Detroit.
Miller, William, Bay City.
Miller, W. S., Lansing.
Nelson, Mrs. Sallie B., Detroit.
Owens, Miss Lucile, Detroit.
Page, William T., Detroit.
Parks, Harry, Kalamazoo.
Parks, Taylor, Bay City.
Pelham, Benjamin B., Detroit.
Phillips, Mr. Joseph, Kalamazoo.
Pierce, Lewellyn S., Lansing.
Powell, William A., Bay City.
Preston, Madame Frances E., Detroit.
Proctor, Mrs. Mary E., Detroit.
Richards, Miss Fannie, Detroit.
Robbins, Henry B. Wade, Ann Arbor.
Robbins, John, Kalamazoo.
Roman, James F., Bay City.
Roxborough, Charles A., Detroit.
Salpaugh, James B., Lansing.
Shelton, Dr. William P., Detroit.
Small, Mrs. Eppie, Kalamazoo.
Smedley, George E., Detroit.
Smith, Birney, Detroit.
Stafford, Wallace, Kalamazoo.
Stafford, Mrs. Della, Kalamazoo.
Stowers, Walter H., Detroit.
Tate, William, Lansing.
Taylor, Miss B. Bernice, Detroit.
Thompson, E., Kalamazoo.
Thompson, James G., Lansing.
Thompson, Leonard C., Detroit.
Thompson, William O., Lansing.
Tomlinson, William J., Detroit.
Walker, George C., Bay City.
Warsaw, T. D., Detroit.
Washington, Foster, Bay City.
Webb, Charles R., Detroit.
White, Charles T., Bay City.
Williams, Charles E., Detroit.
Williams, Henry A., Kalamazoo.
Willis, Elijah, Detroit.
Willis, Robert J., Detroit.

DELEGATES TO LINCOLN JUBILEE

The following persons were appointed Delegates by Gov. Woodbridge N. Ferris to the National Half Century Anniversary of Negro Freedom and Lincoln Jubilee at Chicago, Ill., August 22nd to Sept. 16th, 1915:

Allen, John W., 1220 W. Allegan, Lansing.
Allen, William, Union, R.F.D.
Ames, Dr. J.W., 331 Frederick Ave., Detroit.
Archer, Henry L., Cassopolis, R.F.D. 1.
Artis, Mathew T., Cassopolis, R.F.D. 3.
Baker, Oscar W., 305 Shearer Bros., Bay City.
Bagnall, Rev. R.W., 329 St. Antoine St., Detroit.
Bradby, Rev. R.L., 163 Mullet St., Detroit.
Brown, Charles, 514 East Frank St., Kalamazoo.
Browne, Rev. S. Henri, 614 Franklin St. S.E., Grand Rapids.
Buckingham, Josie, Cassopolis, R.F.D. 2.
Byrd, Abner, Cassopolis.
Case, Herbert, 412 Webb St., Jackson.
Clark, Rev. Frank E., Whittaker.
Collier, Charles, 167 Baird St., Benton Harbor.
Curtis, E.L., 704 Cass St., Niles.

Decker, Joseph.
Dickerson, Dr. John H., 307 Washington St., Ypsilanti.
Dungill, Rev. J.A., 523 Walbridge St., Kalamazoo.
Evans, John.
Evans, John J., 403 Maple St., Battle Creek.
Evans, Rev. Jos. M., 166 Napoleon St., Detroit.
Ford, J.C., 550 Jefferson Ave., Grand Rapids.
Foster, Carrie, 271 Fox St., Battle Creek.
Gaskin, Wm. W., Jackson.
Haley, Paul, 140 Clay St., Battle Creek.
Harris, W.Q., Cassopolis, R.F.D. 2.
Hayes, Mrs. Carrie, 221 Harriet St., Ypsilanti.
Henderson, Rev. Jas M., 140 Euclid Ave., Detroit.
Houston, Mrs. George W., 341 Maple St., Detroit.
Jefferson, Thos., 1029 Sigsbee St., Grand Rapids.
Johnson, Wilmot A., Box 405, Lansing.
Kemp, Wm. P., Editor of "The Leader," Detroit.
Lawson, Cornelius, Cassopolis, R.F.D. 2.
McCoy, Mrs. Mary E., 180 Rowena St., Detroit.
Mahony, George, Decatur.
Morgan, E. Y., Boyne City.
Morgan, Mrs. Minnie B., 209 S. Chestnut, Lansing.
Marshall, Mrs. Mayme, 415 Ransom St., Kalamazoo.
Outland, Samuel, Three Rivers.
Patterson, John W., 94 Clay St., Battle Creek.
Pendlton, Mrs. Adela, 575 Jefferson Ave., Grand Rapids.
Pettiford, Rev. Lewis, 137 East Frank St., Kalamazoo.
Poole, Alphaeus R., 337 Wesson Ave., Detroit.
Ray, Sergeant A. W., 308 Ridge St., Sault Ste. Marie.
Rider, Wm., 509 Church St., St. Joseph.
Roberts, W. R., 1214 Allegan St., Lansing.
Simpson, Eli, Decatur.
Sims, Mrs. Grace, 649 Jackson St., Grand Rapids.
Smith, Mrs. C. S., 35 Alexandrine Ave., Detroit.
Stewart, Thomas, Kalamazoo.
Thompson, Wm. O., 1025 Allegan, Lansing.
Van Dyke, Fred, Three Rivers.
Warren, C. A., Cassopolis.
Warren, Francis H., 325 Broadway Market Bldg., Detroit.
Williams, Mrs. Henry, 720 Parker St., Kalamazoo.
Wilson, M. Ormie, St. John.

PREFACE

When Thomas Wallace Swan, Secretary of the Illinois Freedmen's Progress Commission, induced the friends of Afro-Americans in that great state to secure the passage of a bill with a sufficient appropriation to hold a jubilee and Half Century Anniversary in commemoration of the great work accomplished by the world's greatest humanitarian, Abraham Lincoln, a peculiarly fitting accomplishment was effected.

The celebration of fifty years of freedom for the former Negro slaves of this nation marks an epoch in the history of our country that holds much for the future good of our nation. True it is that on the surface there appears to have been a growth of hostility to Negro Freedom, not so much because giving the Negro his freedom was an economic failure, nor yet because there remains in the minds of the people at large, any idea that slavery for black men was preferable to the freedom, or rather the partial freedom that they now enjoy, but this apparent growth of hostility to the Negro that has been emphasized in recent years by numerous measures of legislation proposed against him, is more the result of the fact that the daily press, when chronicling crimes of colored men almost uniformly set up the racial character in large type of Negro criminals, and it has come to pass that in a great majority of instances when the term "Negro" is used in news matter, it refers to the criminal Negro and not to that vast bulk of black people who are making good and pursuing the even tenure of their way. Ordinarily, on the other hand, when many of the newspapers mention anything commendable about a black man, his racial character is not mentioned, and in at least one instance where a black woman was assaulted and robbed by a white man in Michigan, no mention was made of the fact that the woman was a Negro while in the same article a colored robber who had assaulted and robbed a white woman was referred to in bold face type as a "Negro."

Another instance illustrating how the press emphasizes the racial character of black criminals and suppresses the racial character of black persons performing good deeds was shown in the campaign of the Old News Boys of the City of Detroit last December, for funds to aid the Good Fellows Club in buying Christmas presents for the poor and needy. Out of a list of some thirty Old News Boys, who had become prominent and wealthy citizens, there were included six Negroes who stood on the busy street corners of the city on an appointed day and sold newspapers for the benefit of the Good Fellows Fund. Some twenty articles appeared in the daily press of the City of Detroit mentioning some, or all of those Old Newsboys. The names of these Negroes were there, but no one could tell from reading the article that any negro had any part in raising those funds for charity, but in the same edition of these papers or in nearly all of them, appeared the "Negro" in headlines over some news item of a criminal act. The racial character of the bad Negro was fully expressed; the racial character of the good Negro was fully suppressed; therefore the effect and result has been a seemingly growing hostility to colored people because of the fact that in reading the daily press the average white man will conclude that there are no good Negroes, that all are bad and should be shunned.

While this has been almost a universal rule with the daily papers, there are a few notable exceptions to the rule. The ratio is shown by the following table which is compiled from clippings from the English-Speaking daily papers of the City of Detroit, from December 1st, 1914, to June 1st, 1915.

Newspaper references taken from four English-speaking daily papers in Detroit from Dec. 1, 1914, to June 1, 1915

Total number of articles mentioning "Negro"	232
Number of articles referring to Negro criminals	139
Number of articles referring to prejudice and discrimination	35
Number of articles referring to Ex-champion Jack Johnson	22
Number of articles commendatory of Negroes	36

It will be seen by this table that out of a total of 232 articles in which the Negro racial character of the persons is mentioned, 139 articles refer to Negro criminals; 35 articles refer to discrimination in various forms against Negroes; 22 articles refer to Jack Johnson, the defeated champion pugilist, and 36 articles were commendable to the Negro. In other words, out of 232 articles where the term "Negro" was mentioned, nearly 200 of them referred to the Negro in a manner that was not commendable, unless those referring to Jack Johnson could be so regarded. In 29 published articles referring to commendable acts in which Negroes took part, the racial character of the Negro was wholly suppressed. What has occurred in Detroit during the six months above referred to is an index to the treatment accorded the black people of this country by the daily press, especially in the large cities from one end of the nation to the other, and while it is not true in a large measure of the country newspapers, and there are some notable exceptions in the large cities, this constant bombardment of the moral character of the black people has produced an apparent growth of hostility to the Freedmen in recent years. So I say again that it is peculiarly fitting that an opportunity has been presented to us by the great State of Illinois, the home of the mighty Lincoln, to present to the world the other side of the story of the black man, to note his progress during the fifty years of freedom he has enjoyed, from total ignorance to an educated race, from abject poverty to a condition of healthful self-sustenance, and from vicious ignorance to a wholesome christian civilization, doggedly and determinedly working out his destiny with the means at hand, assisted and encouraged by those noble, God-fearing white men who can look beneath the surface and see some good in their black brother.

In January, 1915, Governor Woodbridge N. Ferris called me into his office for a conference regarding the accomplishments of the colored people of the State of Michigan. The invitation to the conference was sent through Mr. Charles A. Warren, an attachee of the Governor's office. When we had presented to the governor our statement of Negro accomplishments in this state, he declared that Michigan ought to install an exhibit at the National Half Century Exposition, and it was decided to encourage some member of the Legislature to introduce a bill I was asked to prepare. In February I again went to Lansing with the bill prepared to present to Senator Edgar A. Planck and Representative Frederick B. Wells, with an explanatory statement requesting them to introduce it into the Legislature and seek to have it adopted. The bill was introduced simultaneously in the Senate by Senator Planck and in the House of Representatives by Representative Wells, both of Cass County.

THE COMMISSION

In July, 1914, Governor Woodbridge N. Ferris appointed a number of Michigan Afro-Americans to be delegates to the Lincoln Jubilee and the celebration of the Half Century Anniversary of Negro Freedom to be held in the City of Chicago, State of Illinois, during August and September, 1915.

At the suggestion of Governor Woodbridge N. Ferris, Mr. Chas. A. Warren, one of the delegates so appointed, who is attached to the office of the Governor, sent an invitation to each of the delegates to meet in the City of Lansing in February,

1915, for the purpose of petitioning the Legislature for an appropriation to provide for a Michigan exhibit to be installed in the Chicago Exposition of Freedmen's Progress to be held in connection with the said Lincoln Jubilee.

A meeting was held at the A.M.E. Church in Lansing on the 23rd day of February, 1915. Those present were Chas. A. Warren, Wilmot A. Johnson, Wm. R. Roberts, Ellsworth L. Curtis, Mary E. McCoy and Francis H. Warren. Responses had been received from L. Margaret Williams, of Kalamazoo, Rev. S. Henri Browne, of Grand Rapids and Oscar W. Baker, of Bay City. All of these were named in the proposed bill drafted by Attorney Francis H. Warren, which was submitted to Senator Planck, Representative Wells and Governor Ferris and the delegates effected a temporary organization for the purpose of pushing the bill and securing petitions from the people interested, to obtain favorable action by the Legislature. Several members of the Commission addressed the Legislature Committees from time to time in favor of the bill and it was duly passed by the Legislature and signed by the Governor on the 14th day of April, 1915.

The persons named in the bill as Commissioners from the State of Michigan met at the A.M.E. Church in the City of Lansing, April 21st, and effected a permanent organization by electing Oscar W. Baker, of Bay County, as President, and Francis H. Warren, of Wayne County, as Secretary. Wm. Ross Roberts was elected Vice-President, Mary E. McCoy, Field Agent for Eastern Michigan, Ellsworth L. Curtis, Field Agent for Western Michigan and Wilmot A. Johnson, Chairman of the Executive Committee. Thus equipped, the Commission started in its labors of collecting and preparing exhibits of Afro-American progress from the State of Michigan and also to prepare and publish a Michigan Manual, showing the progress of the Afro-American people of this state. Following is a brief sketch of the personnel of the Commission:

Baker, Oscar W., is a native of Bay City, Mich., and a product of the public schools of that city, completing his education as an attorney-at-law in the University of Michigan. He enjoys an enviable reputation for both ability and integrity, not only in his home city, but throughout the state. He is still a young man and it is expected he will be called upon as time passes, to fill more and more of the responsible positions of trust, within both the gift of the people and of individual clients. He enjoys a lucrative practice at the Bay County Bar and the confidence of all who know him, without regard to race or color. (See sketch under Attorneys-at-Law.)

Roberts, Wm. Ross, is a native of Michigan, being born in Van Buren County 46 years ago and now living in Lansing, Ingham County, at 1214 Allegan St. Mr. Roberts has received a high school education and became exceedingly proficient in writing. He is also a portrait artist of high ability. The fine quality of his penmanship is frequently called into service in many ways and for several years past, he has engrossed the diplomas issued by the Michigan Agricultural College. From 1901 to 1905, Mr. Roberts was a clerk in the office of the Secretary of State. For four years succeeding 1905, he was a clerk in Gov. Warner's office, after which he accepted the position as clerk in the office of the Board of State Auditors. He resigned this position in September, 1913, to accept a clerkship with the State Board of Corrections and Charities and the Michigan State Penology Commission. One of the exhibits listed with the Michigan Commission is a portrait of Gov. Ferris' drawn by Commissioner Roberts.

Johnson, Wilmot A., is a native of Richmond, Va., the date of his birth being Feb. 17, 1852. He removed to Chatham, Ont., with his parents, where he was partially educated. Came to Michigan in 1864, and has lived in the City of Detroit since that year. He graduated from Prof. Dowell's Business College, Mr. Johnson has always been active in politics and was appointed clerk in the office of the Wayne County Treasurer under the Hon. Alex. I. McLeod. Subsequently became a deputy sheriff and served under both Sheriff Littlefield and Collins, after which he was appointed to a clerkship in the office of the Board of Assessors. For the past 16 years Mr. Johnson has been a clerk in the Auditor General's Department at Lansing, where he is still employed. He is still a bachelor.

McCoy, Mary Eleanora Delaney, born at Lawrenceburg, Ind., Jan. 7, 1846, in an underground railroad station. She was the daughter of Jacob C. and Eliza Ann Delaney. Mrs. McCoy did not have the benefit of a school education, though she did attend for a time a Freedmen's school at St. Louis, Mo. She is the wife of the noted invetor, Elijah McCoy, to whom she was married on Feb. 25, 1873. She is a charter member of the noted 20th Century Club of Detroit, which is composed of the best known women of Michigan's metropolis. The public spirited character of Mrs. McCoy may be shown by the numerous organizations in which she has been most active. She was one of the organizers of the Phyllis Wheatley Home for aged colored women and is now Vice-President of that corporation. She has maintained the McCoy Home for colored children and state organizer and Vice-President of the Federated Colored Women's Clubs of Michigan, is Vice-president of the Lydian Association of Detroit, and member of the National Association for the Advancement of Colored people, Guiding Star Chapter O.E.S.; of the Willing Workers; of the King's Daughters, besides which she is an active church worker, being a member of the A.M.E. Church. She also has been identified with the Women's Suffrage Movement and was a flagbearer in the great parade at Washington in 1913, preceding the inauguration of President Wilson.

Williams, Lula Margaret Roberts, is a native of St. Joe County, Michigan. Now resides with her husband at 720 Parker St., Kalamazoo. Mrs. Williams is a high school graduate and also a graduate of the Indiana State Normal College. She taught in the public schools of Lafayette and Columbus, Ind., for several years and in Haines Industrial and Normal School at Augusta, Ga. In June, 1906, she was married to Henry A. Williams, of Kalamazoo, where they now live and whose home is cheered by two children. Mrs. Williams has been active in women's club work in her home city and chiefly through her efforts the Dorcas Club and Let Us Be Friends Club were organized.

Warren, Chas, Augustus. Born in Saginaw 1872, and at the age of three, removed to Windsor, Ont., with his parents, where he received his earlier school training. In 1882 he removed to Port Huron, where he continued school for a time and then lived with his parents in Grand Rapids. While living in this city, he entered the Michigan Agricultural College at Lansing and became a professor in horticulture. Was engaged as Professor of Horticulture at Tuskegee, Ala. In 1902, Mr. Warren returned to Michigan and settled in Cass County, where he engaged in farming. When Governor Ferris assumed office in 1913, he appointed Mr. Warren to a clerkship in his office, where he is still engaged, and from whence he directed his efforts in organizing the delegates to the Lincoln Jubilee at Chicago to become active in securing Legislative aid for a Michigan exhibit, in which he was fully successful. In 1902 he married Miss Edna Harris, of Cass County.

Curtis, Ellsworth L., is a native of Berrien County and was educated in the public schools of that county and of Niles. Mr. Curtis is one of the most enthusiastic of the Commissioners. In private business he is a dealer in nursery stock and supplies the farmers of southwestern Michigan with fruit trees and shrubs. He has always been active in politics in his part of the state, although never holding any public offices of consequence. When made a delegate to the Lincoln Jubilee, he was one of the first to become active in organizing the delegates for the purpose of boosting a Michigan exhibit. His efforts have been rewarded by being made Chief Field Agent in collecting and forwarding the exhibits from the State of Michigan.

Browne, Rev. S. Henri. Shortly after the organization of the Freedmen's Progress Commission in which Rev. Browne gave material assistance, he accepted a call to a Baptist Charge near Cincinnati, Ohio, and left the state permanently to assume his new charge. Rev. Browne has declined to furnish any information regarding himself and it is not available to the compiler of this manual.

Warren, Francis H., was born at Sarnia, Ont., Sept. 3, 1864. At the age of four, he removed to Saginaw with his parents, where he received his early education in the public schools. Later attended school at Reading, Mich., where he went to live with Dr. Thomas, with a view to studying medicine. Graduated from the 8th grade to the high school 9th grade, but was called from school to aid in supporting the family before completing his high school course. He became a newboy in Saginaw and learned the trade of plastering with his father. Later took up painting with John J. Prest in Detroit, and this occupation not agreeing with his health, he accepted work as a waiter in the old Russell House, which has recently been displaced by the Pontchartrain. During the time he worked as a waiter and later as a pullman porter, he traveled all over the United States and Canada, finally settling in Mackinac Island, where he took up the barber business and became quite successful in that line. In 1894 he branched out into a laundry and restaurant business at Mackinac Island and later in St. Ignace, and while thus engaged, he took up the study of law with a correspondence school. Becoming more and more interested in the legal profession, he came to Detroit in the fall of 1899 and entered the Detroit College of Law at the age of 35. He was admitted to the Michigan Bar in 1903 with his law class and immediately accepted a position in the County Treasurer's office under the late Fred S. Snow. Mr. Warren has been quite active in politics for many years, his efforts being chiefly for public ownership of public utilities and other economic reforms. As attorney for the Detroit branch of the National Association for the Advancement of Colored People, he has prosecuted many cases of race discrimination. He was for nine years the editor and publisher of the De-

troit Informer, in which work he was ably assisted by Margaret E., his wife. Mr. Warren is one of the few of Michigan Afro-Americans who braved the criticism of his people and became affiliated with the Democratic party, with the hope of securing more favor from that organization for the colored people and of stifling the opposition of such men as Tillman, Vardaman et al. He entered the active practice of law in 1904 and occupied a suite of offices at 325 Broadway Market Building at Detroit.

FRANK LEDESMA—OUTSTANDING CITIZEN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California [Mr. PANETTA] is recognized for 5 minutes.

Mr. PANETTA. Mr. Speaker, at this time it is my pleasure to rise and pay tribute to Frank Ledesma in recognition of 11 years of service to the city of Soledad, CA. I join the residents of Soledad in wishing him all the best in his retirement from the city council, effective June 24 of this year; however, we will sorely miss his dedication and commitment to serving the public interest in this community.

Mr. Ledesma's lifelong contribution to public service has been distinguished in a number of areas. As council member, 1974–78; then mayor, 1979–85; he has demonstrated his leadership through the implementation of a number of community projects. These include the organization and formation of the Soledad Redevelopment Agency and the Soledad Redevelopment Project, construction of a new sewer treatment facility for the city, and construction and renovation of the city's drinking water system. Furthermore, he has contributed substantially to the improvement and expansion of the city's affordable housing facilities through the initiation of rehabilitation loans through the Soledad Housing Assistance Program, annexation of unincorporated land to expand the city's housing base, and the creation of the Soledad Local Development Corp. Not least among his accomplishments during his years of public service to the city, are the improvements in the professionalism and training of the city's protection forces.

His accomplishments have extended beyond the city's borders. He has served the broader community through membership on the Monterey County Transportation Commission and the Monterey County Local Agency Formation Commission.

Outside of his official roles, Mr. Ledesma has been a moving force in the community through a number of additional clubs and organizations. He is a member of the Veterans of Foreign Wars, Knights of Columbus, Soledad Rotary, and American Legion, holding leadership offices in the latter two. He has been involved with sports programs for the young people of the city as well, including president and team manager for 12 years of the Soledad Little League and director for 2 years of Pop Warner. Additionally, he served as the Mayors' Select Committee of Monterey County. Mr. Ledesma is especially concerned with the welfare of children, as recognized through the appreciation award he received for serving 12 years as a member of the board of the Soledad Union Elementary School District.

A major portion of Mr. Ledesma's career was spent in the employ of the U.S. Postal Service, holding the position of Postmaster in both Soledad and Carmel. He is married to Dominga Torres Ledesma, with whom he has been blessed with six children and five grandchildren.

Mr. Speaker, the key to effective public service is action. It is said that it is better to light one candle than to curse the darkness. Mr. Ledesma has lit an important candle in this community that sends an important message to the public—"if you care, do something about it."

I am honored to bring the outstanding achievements and accomplishments of this distinguished individual to the attention of my colleagues here today. His honesty, integrity, leadership and motivation are to be admired and will be remembered long after his day. On behalf of the citizens of Soledad, I would like to express our deep appreciation to Frank for his dedicated service.

A GREAT VICTORY IN THE ELECTION OF JIM CHAPMAN IN THE FIRST DISTRICT OF TEXAS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas [Mr. GONZALEZ] is recognized for 5 minutes.

Mr. GONZALEZ. Mr. Speaker, I rise today to make note to my colleagues of a great victory that we celebrated in Texas in the election of Representative CHAPMAN in the First District of Texas recently, because of the factors involved.

In my case, I would like to point out for the record that, when I was in the State senate, in the second session of the senate that I served, young CHAPMAN was a page, and his father was a member of the Texas House of Representatives. I recall vividly today at the end of that session when he came up with that very boyish, eager look, and the little brochure that contained the pictures of all the members of the senate, and he said, "You have got to sign this because you are the 31st. I have all 30, but I need yours." That was the last time I saw him until today, when he was taking the oath of office as a Member of this great body.

I think the most significant thing about it is the quality of the victory. This particular election had been targeted and several millions of dollars were poured, mostly because the junior U.S. Senator had made it an issue on a State basis, for what reason, of course, nobody that I know can fully say, but injected into the issue as a result of this heavy play of interest and the outpouring of external monetary financing into the purely local district race, issues were raised about which the American people anywhere, whether it is up in that northeast Texas area or whether it is anyplace else that I know of, are vitally concerned with. The American people, by far and by large, have been always and still are pragmatic, practical, realistic. Of course, we are all human, and we can be swayed. None of us is foolproof, and we can be swayed by issues that are intense in emotionalism, intense in passion. But I think the highest thing to be done under those circumstances by any American citizen seeking the approval of his citizens to an elective trust in this great democracy is how you stand up under that pressure. Do you try to imitate and postulate a position that would seem to be in consonance with their apparent supreme ideological thrust of the passion of the moment? Or do you discern that issue and realize that you cannot afford to fly under false flags under any circumstances because the people are entitled to know?

If you do not have the trust, if the people know the truth, that they will not vote for you, then what kind of a hollow victory is it to win a race?

I had the very similar experience when I started out. There was a lot of similarity here. In my first congressional race, the opposition party on a national basis—nobody knew me nationally then—decided to make it a national campaign to show that President Kennedy's New Frontier was not taking root. It was the first congressional race in the first year of President Kennedy's administration. They sent General Eisenhower down there for 3 days. Both of my newspapers were not for me. And they outspent me. In this case, the same thing happened. And yet the people came through, in the sense that they disgarded what they knew was an appeal to rank bias, and appeal to the exacerbation of passion and emotion rather than clear and limpid thinking on those issues.

□ 1540

So I take this opportunity to include in the RECORD at this point a recital or report of the election in a brilliant way by a young Texas author by the name of Jim Presley that appears in this month's issue of the Texas Observer.

I salute Mr. CHAPMAN and wish him well. God speed in his endeavors, and I wish to congratulate the great-minded citizens of the First District of Texas.

[From the Texas Observer, Aug. 30, 1985]

EAST TEXANS THWART GRAMM PUTSCH

(By James Presley)

TEXARKANA.—For those in the First Congressional District who had grown used to having Wright Patman there in Washington from 1929 till 1976 to defend them against a variety of Republican mischief (he, after all, had not blown the whistle on Watergate), the tenure of his successor, Rep. Sam B. Hall, Jr., following Patman's death in 1976,

must have come as a shock. When Ronald Reagan assumed the Presidency in 1981, Hall soon became one of the boll-weevil Southern Democrats who gave aid and comfort to the Republicans in the House.

Now comes 1985, with this scenario: Senator Phil Gramm, flushed with a November victory on Reagan's coat-tails, nominates Hall as federal judge, to create a vacancy. Hall passes the Republican litmus test on enough issues to make him acceptable, even desirable, for the beefed-up Republican judiciary. The plan then was to elect a bona fide Republican, no matter how much the cost, and use that result as evidence of realignment of the political parties. It would be a major publicity coup, particularly for Gramm.

The result was the most expensive race in First District history. The outcome would scarcely change the Democratic control of the House but would convey symbolic power wherever the news went.

To set things in motion, U.S. Sen. Phil Gramm pulled Edd Hargett from obscurity in tiny Linden, Texas, for an appearance in nearby Texarkana. Hargett, once a student of Gramm's, would make a fine Congressman, said Gramm, thereby telegraphing the next punch, which soon came when Hargett announced for the seat as a Republican.

In some ways, Hargett was the political packager's dream. Young (37) and handsome, a former Texas A&M quarterback who had played pro ball, he seemed to have a great many things going for him. The First District has traditionally been an incumbent's district. Wright Patman, known widely as a populist and a scourge of the banking industry, served here for more than 47 years, through all kinds of political permutations on the national scene. Undoubtedly Republican strategists realized that if Hargett got in, he'd probably stay in—maybe for 30 years.

The money gushed forth. Hargett attended the Republicans' candidates school. Top consultants like Roger Ailes, Lee Atwater, and Lance Tarrance were signed on.

In the first election on June 29, Hargett gained 42 percent of the vote, former DA Jim Chapman of Sulphur Springs, 30 percent, and State Rep. Sam Russell of Mt. Pleasant, 18 percent, with the other five candidates dividing the remainder.

Among the Democrats, Jim Chapman, 40, enjoyed an advantage—and in some ways, a disadvantage. Having run for state senator against state Sen. Ed Howard last year in virtually the same district except for one county, he was acquainted with the district, had some name recognition, and had supporters at the outset. The disadvantage he faced was that his race against Howard had also left him with political enemies. Howard had charged Chapman was backed by labor and liberals, and now the Republicans took up the same charges.

Chapman, however, had assets of his own. He was willing to put a great deal of his own money into the campaign, and he was able to use his highly-honed skills as a trial lawyer to distinct advantage, showing himself to be agile-witted and articulate in the forums, the one debate (held in Kilgore outside the district and viewed on Tyler TV), and speeches.

Chapman's early theme was that the Big Bad Ol' Republicans Are Gonna Try to Cut Social Security. He said he'd fight any cut, down to the last COLA. But Hargett said he, too, would fight any attempt to cut Social Security. Chapman matched Hargett's stand on so-called "family" issues such as abortion, school prayer, and gay rights. (The *Texarkana Gazette* chided Chapman for making such an issue over his championing of school prayer, which, the newspaper noted, was advocating something everyone had—the right to pray any time he or she wanted to.) On the other hand, Hargett embraced what might be seen as traditional Democratic values, such as support for Medicare (and Social Security), more jobs for depressed East Texas, and a simplified tax system. There was no calling attention to Hargett's party affiliation by name. His billboards identified him only as being "In the Tradition of East Texas."

All the thunder and lightning from the conservative heavens showered down upon Northeast Texas before the summer was over. About the only thing lacking, really, was a personal visit from The Great Communicator Himself, though that was accomplished electronically.

Jobs turned out to be the hot issue by early July. By then Texarkana plants had laid off 400 workers, AT&T had shut down its Shreveport plant, another Texarkana plant had announced layoffs, while Lone Star Steel's problems continued to fester with employment at only 60 percent of its full force. With this as background, Chapman took up the issue of a trade policy to help American exports and to keep American jobs from going overseas. At this point Hargett told a reporter, "I don't know what trade policies have to do with bringing jobs to East Texas." Chapman pounced upon the sentence. Hargett claimed he was misquoted. When a reporter disproved his claim, Hargett said it was taken out of context. In a July 24 editorial, the *Texarkana Gazette* had the final say: "Hargett has said that the statement was taken out of context and was a misquote. Neither claim is true. The context is accurate—a reporter asked a question about foreign trade policy and Hargett answered it very simply. The quote is the same quote that was videotaped by KTAL-TV and aired on the 6 p.m. news on July 9."

Jobs for the depressed First District, where the unemployment rate passed the national level, and protection of Social Security became the leading "solid" issues of the campaign. Senator Bentsen hammered away at the Reagan administration's having no trade policy. Whether East Texans are conservative or liberal or in between (which they probably are, for the most part), like people everywhere else, they like to have jobs.

In the beginning, much of Hargett's advertising and personal football career at Texas A&M and later professionally. The Aggie maroon color graced his signs, billboards, and campaign materials. (One wonders how many votes he lost from alumni of other Southwest Conference schools.) His television commercials featured football game excerpts. But weeks before the first election, the *Texarkana Gazette* in an editorial, "Hang up the cleats, Edd," chastised him for talking football instead of issues. The commercial was dropped.

The Republican tactic was to hang the image of "dirty campaigner" on Chapman. In the process of this effort, negative mailing and advertising went out until images of a "dirty campaign," ironically, began to form about the Hargett headquarters. In another irony, Chapman began to emerge from the dust of battle as something of a gentlemanly campaigner, though aggressive, but articulate and seemingly undisturbed by the stream of allegations his foes poured forth. At forums and radio interviews, Chapman responded vigorously, decisively, and with good manners. His confidence seemed to grow as the campaign aged.

The negative mailings by the Hargett campaign, from the early days to the last week, kept hammering away with the charge that Chapman was a liberal, that he had run a dirty campaign against Ed Howard (never documented), that he was running a dirty campaign now (never substantiated), and that he supported unpopular planks (gay rights, etc.) of the 1984 Democratic platform and would be controlled by Tip O'Neill and the Northern liberals (which he had denied).

One mailing, handwritten from "Mrs. Shirley Hargett," the candidate's wife, extolled her husband as "a good Christian man" and added: "It is unfortunate that Edd's opponent chose to lie. When he could not find a flaw to attack he resorted to lies . . . It makes me mad when Jim Chapman doesn't tell the truth, especially concerning Edd's views on Social Security." The letter then segued into how Hargett's parents died of cancer while on Social Security and Medicare and how that left the candidate a strong friend on the legislation. Then the scene shifted back to Chapman: "Edd says he understands why Chapman is always throwing mud. It's because Chapman is a Liberal whose support is from the Labor Unions, the Liberal Special Interests and the National Democrats like Tip O'Neill and Walter Mondale."

Though Chapman was "right"—to the conservative way of thinking—on the emotional, often contrived, "family issues," as were every one of the original candidates, being "right" wasn't enough. Moral Majority honcho Jerry Falwell signed a letter that charged:

"Jim Chapman, who supported the Mondale/Ferraro ticket in '84 and Mark White's tax increase has yet to disavow the National Democratic platform. That's the platform that calls for gay rights and the E.R.A.

"Jim Chapman remains silent on school prayer and a pro-life amendment. Jim Chapman's silence on these issues proves one point: he can't stand up to the liberal national Democrats."

Falwell either wasn't listening, didn't care, or knowingly misrepresented the facts. Anyone who ever attended any of the candidate's forums would have heard Chapman, who repeatedly called himself a conservative particularly in the early days of the campaign, state he was against affirmative action for gays, he was against abortion (except in the case of incest, rape, and danger to the mother), and he favored prayer in the schools.

A slick anti-abortion handbill, featuring photographs of Edd and Shirley Hargett and of a winsome small child ("This Little Gal Wants YOU to Vote Saturday, August 3"), was placed on automobiles parked at the Highland Park Baptist Church in Texarkana and, one might well presume, at other churches over the district, during services on the Sunday before election.

Mailboxes were filled by both sides. Senator Lloyd Bentsen sent a letter urging voters to *"finish the job"* and pushing Chapman's candidacy for its support of "old-fashioned family values," "a strong defense," defending "the sacred contract of social security," and protecting American jobs.

The biggest Republican gun came in a mailing during the last week before election, from Ronald Reagan—"we need Edd Hargett in Congress." He continued, "If Edd Hargett wins, it will be strong evidence that

the principles of this Administration have the support of the American people—regardless of party label." (Seemingly an appeal for help, not realignment.) Then the postscript clincher: "I was proud to nominate Sam B. Hall, Jr., to be a Federal judge, but sorry to lose the advice and support of this able conservative Congressman. The election of Edd Hargett would mean East Texas continues its tradition of independent conservative representation in the U.S. House of Representatives." Like Wright Patman, one presumes.

By the time voters received Reagan's letter, the television channels had been saturated with his spot commercials pleading with East Texans to vote for "my friend Edd Hargett." Over and over and over. Though Reagan had not appeared in person, he had risked his prestige almost as much with the commercials.

In reviewing campaign ads and "literature" on both sides, it becomes clear that negative charges were a particularly strong thrust of the Hargett campaign.

What made the rampant negativism even more apparent was that, as the Republicans piled accusation upon innuendo, Chapman studiously grew more and more "clean." Hargett's campaign became so negative that in the final week the *Texarkana Gazette* specifically chided him for it. The newspaper never endorsed anyone in the election and, in fact, appeared to take an even-handed approach to the race. But three times it came down editorially on Hargett, for discussing football instead of issues, for denying a statement he had made on jobs and trade policies, and for heading up such a negative campaign.

Chapman ads countered claims that he was tied to the "Northern Liberals" by suggesting the Republicans were trying to buy the election. A large ad during election week headlined, WHO IS THE REAL INDEPENDENT?, focused upon Hargett's spending four times what Chapman had and that more than 40 percent of Hargett's money came from conservative political action committees, with only 12 percent identified as coming from within the district. On the other hand, the ad noted that 42 percent of Chapman's money came from within the district, not including his own $135,000 personal contribution, with only $10,450 coming from political action committees.

In an editorial the same day, the *Gazette* noted that of Hargett's $825,000 war chest, he had received approximately as much money from outside the district—$229,603—as the entire Chapman campaign had raised—$236,819.

The *Gazette* editorialized: "The lopsided total donations—$822,589 for Hargett and $333,042 for Chapman, including the First Committee—seem to lend some credibility to the charge that the election is being bought. . . . Can a Congressman really represent East Texas when he owes his political soul to a PAC, a party organization or a group of wealthy donors?"

Chapman won the runoff over Hargett, 52,665 to 50,741—a margin of 1,924 votes out of 103,406 votes cast, almost one-third of those registered. Chapman's margin was 50.9 percent to Hargett's 49.1 percent. The turnout was 30 percent of the registered voters, 10 percent more than for the first election, with a significant increase in black and older voters.

One of the major factors in Chapman's victory was a significant improvement in his showing in Bowie County (the most populous county, and the location of Texarkana) over his performance in June. An intensive organizational effort led to a jump in Chapman's vote totals from 20 percent in June to 44 percent in August in the city of Texarkana. He more than doubled his percentage of the absentee votes, resulting in the Democrat defeating the Republican at the absentee box by a margin of 3 to 2.

In the end, Hargett, with a million-dollar effort behind him (he spent none of his own money, according to his reports) probably gained more name recognition than his football playing had accomplished. Gramm experienced a deep disappointment, if not frustration. President Reagan, after appearing in TV ads over and over, failed to push Hargett over the goal line and probably suffered some tarnishing of his reputation as a winner. The Texarkana Gazette, often criticized over the years as either establishmentarian or as bland, came out of it as a vigorous, impartial recorder and referee. And Chapman, so frequently accused of "dirty" politics, came off a gentleman, if one will pardon the expression—and the winner.

It is too soon to report whether the flood tide of Reaganism has crested and is receding, based on the First District, but one thing is certain—a carefully engineered test case has backfired, despite everything that could be done. And the reason it did is that the Democrats by and large got together and got their votes out. In a post-election interview, Chapman said he would probably take his own path in Congress, different from either Sam Hall or Wright Patman, but from what he said and did in the special election, it is probable that his record will wind up closer to Wright Patman's than to Sam Hall's.

Gramm, the main loser, was quoted shortly before the election as saying, "Win or lose this race, this is only my first involvement. We're going to keep on building the party until we're hunting Democrats with dogs."

A memorable statement and something to think about by those putative Democrats who edged into Hargett's camp. Stay in line, boys, or here come the dogs! After a campaign like this one, many voters may start thinking, not of realignment, but of reassessment. The First District, of course, is a continuing story, Chapman, now the incumbent, will be up for reelection in 1986, and that campaign is not far off. Stay tuned.

SOME PEOPLE BELIEVE THAT THERE STILL IS SUCH A THING AS FREE TRADE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania [Mr. GOODLING] is recognized for 60 minutes.

GENERAL LEAVE

Mr. GOODLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

Mr. GOODLING. Mr. Speaker, I took this time and caught a lot of my colleagues by surprise, and therefore this will be an ongoing process for days to come, I am sure. But I took this time to see whether we might be able to flush out just who those one, two or three people are in the United States who still believe in the tooth fairy, and still believe that there is such a thing as free trade.

Is it Mr. Regan? Is is Mr. Buchanan? I hope it is not the President of the United States. There is no such thing as free trade. We all advocate it; we all wish it were true, but we all know that the Japanese do not know what the word means. We also know that the Common Market nations do not know what the word means. Yet, when we try to get a little bit of relief, temporarily, for a shoe industry that employs so many rural people particularly, we find that the White House turns a deaf ear.

You know, there are two ends to Pennsylvania Avenue, and I would remind the President that when he calls here and asks our help, we expect a little consideration when we call in the other direction.

We are told that no action was taken, even though ITC, who 1 year ago ruled 5 to 0 that there was not enough serious damage to the industry for them to act or to recommend action, turned right around 1 year later and recommended, 5 to 0, as a matter of fact, that there is that kind of damage. They voted 4 to 1 to make the kind of recommendations that they did for the President to consider to give some kind of temporary relief to this shoe industry.

In spite of that effort, the President decided that we should not have or grant temporary relief to that industry at this time. He indicated or reports are that he made the decision because he was protecting the economy. Well, let me tell the American people something they already know and something the President already knows. There is nothing more damaging to the economy of the United States or any other country, but particularly the United States, than unemployment. So that better be the first consideration when we are thinking about the economy. What is going to happen to our economy because of the number who have been laid off in just this one industry, not to mention 6 or 8 or 9 or 10 others that I will tick off later. So, we better think about the damage we are doing to the economy by not considering the domestic shoe industry.

Then we heard those who said, "A great move, Mr. President, you protected the consumer." Who is the consumer, I might ask? The consumers, of course, are those people out there who are lucky enough to have jobs in the United States that can make purchases. But if I were those who have a job at the present time, I would not rest on this decision the President has made, because tomorrow it may be

your business or your industry that goes under because of foreign invasion.

Not competition; we welcome competition. The Japanese do not know what that word means either. Neither does the Common Market when we try to get our agricultural products, particularly, into those nations. When you talk about protecting the consumer, you better think about protecting that consumer's job.

Then we hear that old word over and over and over, year after year after year, "retaliation." There are several million Cambodians who are no longer living because we use that word and that fear of retaliation over and over again. We were worried if we did what was right in Southeast Asia and tried to protect the freedom and give those people an opportunity to make their own decisions there would be retaliation from China or from the Soviet Union.

Hundreds of thousands of Vietnamese who are in "education camps"; that is another name for concentration camp. Or the hundreds of thousands who have fled because of course, rather than do what we had to do, we talked about retaliation.

The Laotians, who were looking for some help and got none because of the fear of retaliation. Then I was surprised to hear that this administration used, in defense of their decision, the word "depression." "That is how the Depression started." Well, you know, for 4½ years any time anybody talked about any significance between what is happening now and what happened in the thirties, we were told by the administration that, as a matter of fact, it is a totally different time we are operating in. As a matter of fact, the economy is different, the banking system is different. So do not relate to depression or the depression years. They chose to use that as an excuse or an alibi.

Then, of course, that thing we have heard from administration after administration: "We will take care of the situation with existing laws. We are going to be really forceful." I have heard Mr. Yeutter say that a dozen times. I also heard him say a heck of a lot of different things before the President made the decision than after the President made the decision. You know and I know no matter what enforcement we think about we are not going to protect some of our industrial base.

I would like to relate to a couple "Falwellian" statements I heard made. I do not know how you spell that. You take "Falwell" and you put "ian" on the end and you have a "Falwellian" statement. Well, I heard Secretary Brock, before the President made his decision, make one of those great "Falwellian" statements.

He said, as a matter of fact, or was quoted as having said, I did not hear him directly say it. He was quoted as having said that, "Well, he imagines the shoe industry does need some temporary relief." But he would recommend to those people in that industry that they find other jobs. If that is not a "Falwellian" statement, Mr. Secretary, I do not know what is.

Where do you suggest the people in the Northeast and the Midwest go? Should they go to the machine tool business to find those other jobs? Or to the bearing business, or to the coal business, or the steel business, or the garment business, or the printing press business? I could go on and on and on. Those are the businesses we had in our areas and we do not have any more. Therefore, I do not know where, Mr. Secretary, they should go.

The second "Falwellian" statement that I would refer to is one made, and this one I heard by Ambassador Yeutter, who, as I said, must wear different stripes on different occasions, because having met with him on two occasions prior to the decision that was made by the President, he did not sound very much like the same Ambassador who was making statements in defense of what the President did on television afterward.

He was asked by the young lady who was doing the interview, "Well, what happens to all of these unemployed? What are you going to do?" Well, he said, we will have to take our JTPA system, the Job Training Program, and we will have to retrain them, and then we will get them jobs." I understood the Labor Department really was not asking for any more money along those lines.

But even beyond that, Mr. Ambassador, you went on then in response to the young lady who said, "Well, will that take care of all of them?" and you said, "No, it probably will not, and some probably will not go to the Silicon Valley for jobs, will not leave their home areas."

I have news for you, Mr. Ambassador. I think I read since that statement you were going to visit that area, but everything I understand is, because of the pressures they are receiving from imports in the Silicon Valley, they are laying off people, they are reducing their pay, they are reducing their hours of work.

So I would hope for many reasons, Mr. Ambassador, that, no, they do not all leave the Northeast and the Midwest and go to the Silicon Valley.

I would also call to the attention of this administration, one who believes so strongly in the importance of our national defense effort, how do we have, I would ask the question, a national defense effort if we have no industrial base? I do not understand it. If we become a service economy, what do we service? In World War II, if we were only a service economy, we would never have gotten through that war on the victorious side because we not only had to service, we had to produce those things that were needed to put those who would destroy freedom in this world back where they belonged.

So a service economy will not do, Mr. President, and as our industrial base is eradicated day after day, and eroded day after day, I only ask, how do we protect our freedoms and how do we provide the protection that is needed to protect the free world?

I can only say, Mr. President, we are not asking to close markets, as they do in the Common Market countries, we are not asking to close markets, as the Japanese do with all cute things, and do not tell me that the Prime Minister has now come up with some new ideas which will really open up. I visited there not too long ago. That Prime Minister will not have a snowball's chance in Hades of doing anything about opening markets. Only the good old boys' network makes those decisions in Japan, and they are the leading industrialists.

So, Mr. President, we are not asking you to close markets; we are asking for some temporary relief. We are not saying do not allow shoes to come into this country; we are just saying, Mr. President, in the last 4 years the number has doubled. We are now up to 80 percent. We do not care if the Italians send all of theirs in. They are so expensive they will not harm our shoe industry.

But let me tell you, if you cannot help us get back to about 60 percent until we can make some of the changes, and until that dollar goes down, we are in very serious difficulty in this country.

Again, Mr. President, we need that industrial base. We need some temporary relief, and we are counting on you to find some way to bring that about, and not with smoke and mirrors, as was suggested that is the way we are going to do it.

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

Mr. GOODLING. I yield to the gentleman from Maine, who has problems very similar to mine in relationship to this very important issue.

Mr. McKERNAN. I thank the gentleman for yielding and commend him for taking this special order. As one of the two Representatives from the largest footwear producing State in this Nation, fully 12 percent of the shoes that are produced in this country, I wanted to come over and participate in this special order because the things the gentleman is saying are absolutely correct.

We sometimes have blinders on in this country when we realize some of the importance of our historical industries. We look at the shoe industry es-

pecially and realize in what terrible straits we now find ourselves, really oftentimes through no fault of our own.

As the gentleman has mentioned, we have had imports of shoes double over the last 4 years. That is 726 million pairs of shoes that came into this country in 1984. How many pairs of shoes do we export? Nine million pairs.

That is the problem. There is no equity in our international trade. What we ask for, representing the shoe industry, what the ITC recommended to the President, was to give the industry some time, give the industry some time to modernize, to retool, to be able to move into the technological age in order to compete internationally, and also, and I think as importantly, to give us time to open up some new markets.

We in this country can compete internationally, but we cannot compete if the countries that are flooding our markets with imports will not allow us to export into their countries, and that is what the ITC recommended, a 5-year program, a program for us to have the opportunity to work with our trading partners to say free trade is the answer, but free trade by only one trading partner is not the answer. That is not the way we have to go.

Maybe in this day and age a whiff of protectionism is necessary, especially here in this country, to demonstrate to our trading partners that protectionism is not the way of the future. We need to have more open trade, but it has to be a two-way street.

In Maine, we have had 32 footwear plants close since 1984. We have had over 6,400 people lose their jobs. We have to think about those issues in human terms, what that means to those people, to their families, to their ability to educate their children, and to feed their families.

We oftentimes do not think about it in terms of the people in places like Biddeford and Saco who lose their jobs. We think about it in general economic terms, about percentages of markets, about total numbers, the macroeconomics of the situation. We ought to bring it right home to those shoe plants in our districts and realize what the human result is of these policies, and realize that we need to be looking at ways to approach the trade issue in the 1980's and the 1990's. The rubrics of the past, free trade for example, are no longer a reality. We need to say, "Where do we go from here?" so we can have an equitable trade policy.

All we ask for, all the ITC recommended, was temporary relief, relief to allow the industry to work out its problems, to modernize, to be competitive. It is not as though the people in the shoe industry are receiving an exorbitant wage. You talk to people in shoe shops in Maine, and I can tell you that they have not only their hourly wage cut, but they have also had the number of hours they are working cut. In Freeport, ME, there is one shoe industry where people are working part time, they are working half days in order to keep the doors open.

That cannot continue. They need some temporary relief, and we are not asking, as I said, for relief for a number of years. We are asking for relief over a short period of time.

I just hope, as the gentleman from Pennsylvania has indicated, that the President will approach this. If he is not going to give us the kind of relief we need on an industrywide basis, that he will take other steps that he can take under our trade laws to make sure that we get at the specific trading partners who are violating this breach of free trade and make sure that we try to approach this on a country-by-country basis if we cannot approach it on an industry basis.

I, for one, am not willing, at this point, to give up on the industrywide approach. I hope that my colleagues will continue to push for relief here in this Chamber to make sure that we take the steps that we can take as a legislature to make the difference for jobs in this country. We can do it by passing the right kinds of laws, by instituting those quotas that were in effect until 1981, by phasing them out over a period of time so we give that window of opportunity, if you will, to the industry to make sure that we have the kind of jobs that we can all be proud of and which, as the gentleman from Pennsylvania has pointed out, could in fact make a difference to our national security at a time of crisis.

So I again just want to commend the gentleman, and associate myself with his remarks.

Mr. GOODLING. I thank the gentleman very much for participating.

I, too, am a freetrader, as I indicated earlier in my remarks, but we have to have both together, free trade and fair trade. At the present time we have nothing that resembles fair trade, and we only have one country participating in free trade.

Back to the whole issue of defense, when I spoke in Lafayette Park at the shoe industry rally, as soon as I was finished I had reporters from Brazil and Taiwan and Korea come charging forth saying, "Boy, do you know what that would do to our industry? Do you know what that would do to us?"

I said, "You know, if I were you and I were as dependent on this country for your defense, as you are, I sure would do everything I possibly could to make sure, as a matter of fact, we continue to have an industrial base. You should be doing this voluntarily. It should not have to be something that ITC had to recommend and the President had to do, because it is your defense that you should be concerned about."

If I lived in Japan, I sure as thunder would be very much concerned about who in the world it is who is going to protect my freedom, as a matter of fact, if either side makes a move, be it the Soviet Union or be it China. So they better be very, very concerned that we have an industrial base so that we can produce whatever it is to deter war, first of all, and if somebody insists on war, so that we can, as a matter of fact, be victorious.

Again, Mr. President, I only fear that you have now lost your opportunity to lead this trade battle. I now fear that there will be many of us who normally would not join in this movement in the Congress of the United States who will join, and as I heard a few Senators say, they will be introducing legislation in order to give the kind of relief ITC recommended, and many in the House who have said the same. I just fear that we will move too rapidly, but it is not our fault, Mr. President. They all waited until after you made that decision. You have now made that decision. My hope is that you can lead the way in this trade battle, but I fear that you have lost that opportunity.

Mr. EMERSON. Mr. Speaker, I want to take this opportunity to express my dismay at the President's decision to reject the ITC's recommendation to temporarily limit foreign shoe imports.

The economic damage caused by the penetration of imported nonrubber footwear is clearly evident in Missouri and is one of the most severe single blows felt by the Eighth Congressional District. Missouri alone has lost nearly half of its footwear manufacturing plants since 1968, causing a loss of almost 10,000 jobs. While seven plants ceased operation during 1978 to 1982, five factories were forced to close their doors just last year.

Footwear is the major manufacturing employer in 20 Missouri counties, each with a population under 50,000, and is a significant industry in 13 additional counties. Plant closings in 1984 left thousands without work. In small, rural communities, job opportunities are limited—and every employed person makes a difference. Such areas simply cannot withstand another year in which unrelenting imports control over three-fourths of the U.S. shoe market.

I am perhaps one of Congress' staunchest supporters of a general policy of free trade. Representing one of the Nation's most productive agricultural areas, I am well aware of the need to maintain and promote our own access to foreign markets—and equally aware of the risks to that access that can result from import restrictions. Nevertheless, I have watched too many small communities suffer too much at the hands of imported footwear, and have become increasingly convinced that this is an industry that needs—and deserves—temporary protection.

From my observations of the industry nationwide, as well as personal knowledge of the nonrubber footwear manufacturers in the Eighth District, I am confident that the industry has not brought this problem on itself. It has made every effort to compete with foreign imports, and done so despite serious obstacles presented by the overall economic conditions of recent years. In Missouri, as well as across the Nation, footwear employees earn wages far below average in comparison to other industries, and considerable resources have been devoted to modernization of facilities and research. Yet, the industry still finds itself unable to cope with the flood of imports—a flood that has reached over 75 percent of the U.S. market.

In short, the damage that has been done is so extensive that the industry cannot "get back on its feet", even with the admirable effort it is making to become fully competitive with foreign producers. Thus, I believe the nonrubber footwear industry's request for a temporary program of market share quotas is a reasonable one. Given short-term protection, the industry will have the opportunity it needs to regain a fair share of the market, and will be able to become fully competitive.

Mr. Speaker, the nonrubber footwear industry is vital to the interests of many of America's rural communities and to the Eighth District of Missouri. Import relief for our shoe industry must now become a major priority for congressional attention. I strongly encourage my colleagues in the House to support a legislative remedy to limiting footwear imports by cosponsoring the American Footwear Industry Recovery Act—and give this important industry, its employees, and small communities throughout rural America a chance to regain the ground they have lost to a relentless flood of imports.

Mr. ALEXANDER. Mr. Speaker, last week the President announced, as his Labor Day present to the American worker, a body blow to the domestic nonrubber footwear industry.

Imported shoes account for 80 percent of the domestic market, and that share is growing daily. Thousands upon thousands of American workers, including 2,000 in my own State of Arkansas since 1983, have lost their jobs. The 200,000 other workers still employed by American shoe manufacturers are economic hostages, each living in fear that his or her plant will be the next to close. Indeed, in Arkansas, footwear employment has not been so low since 1961. Across the Nation, countless communities have seen their economic bases destroyed when shoe plants have closed.

And yet the President blithely holds to an incredibly naive and simplistic view of international economics in which the market is allowed to work its will under any and all circumstances, no matter what the consequences are.

His trade policies, or lack thereof, are bringing the economic recovery he's so proud of to a screeching halt, but the President doesn't seem to realize it. As he has done so many times before, when the facts about footwear didn't support his view of the world, he didn't worry—he simply dismissed the facts as irrelevant.

What is the practical effect of the President's footwear decision?

For one thing, the President has made a mockery of section 201 of the Trade Act. When we passed the Trade Act in 1974, we included section 201 for a reason—and the reason was not pure protectionism. We simply wanted the President to have a mechanism he could use to provide temporary import relief to a severely impacted industry while the industry got back on its feet.

The footwear industry's case was a classic one under section 201. With import penetration nearing 80 percent, the industry came up with a 5-year plan of action for modernization and requested temporary, limited import relief in order to give the plan time to work.

But the industry couldn't even get that far. President Reagan apparently did not feel that footwear manufacturers and workers had suffered enough with imports holding only 80 percent of the market. What would it take to compel the President to act? Would he do nothing if imports rose to 90 percent? Would he do nothing if the American shoe industry were destroyed?

The President can not expect us to believe he is opposed to all section 201 actions on philosophical grounds. He's already granted 201 relief to both basic and specialty steelmakers, and in one case he granted 201 relief to just one firm—Harley-Davidson, the Nation's only motorcycle manufacturer. Why, then, would he not help the footwear industry?

Second, the President's decision was not a wise one in terms of national defense. Armies, after all, move on their feet. If the American shoe industry goes under, who will shoe our soldiers, sailors, and airmen? What happens if we become embroiled in a conventional conflict and our sources of footwear become hostile or lie behind overextended, easily interrupted supply lines? What do we do then?

Finally, however, the decision's major impact will of course be felt by footwear workers. The President, insulated by his prosperous advisors who don't understand the suffering of unemployment, is totally oblivious to the pleas of American workers who want their President to protect their jobs by using American law.

I wonder if the President has ever met a shoeworker? Indeed, I wonder if the President even owns a pair of American-made shoes?

I wish the President would come to Arkansas and meet with the shoe workers I represent. He'd find out how scared they are of losing their jobs and how much they want to continue to be productive members of the American economy.

Labor Secretary Brock did promise the other day to provide Job Training Partnership Act funds for job search, retraining, and relocation—I stress again, relocation—assistance for displaced footwear workers.

But these workers want to be footwear workers. They shouldn't have to endure the hardship of learning new trades, pulling up roots, and moving to remote locales. We oppose forced relocation in South Africa; why should we accept it here?

Through it all, the President remains hypnotized by his 18th century view of world trade. He is a firm believer in the theories of Adam Smith. His trade policy is not to have a trade policy. He carries laissez-faire doctrine to the extreme.

The problem is, the invisible hand has the American worker by the throat.

Some say America's trade problems are caused by unfair practices on the part of our trading partners. Certainly, these contribute to our problems. The President said in announcing his footwear decision that free trade should be fair trade, and I certainly agree with that. But the decision to do nothing for the American footwear industry does nothing for fair trade. Even worse, it is an open invitation for other nations to continue flooding our market with imports.

The sad irony is that the biggest cause of America's record trade deficit is Ronald Reagan's record budget deficit. The budget deficit lures foreign capital, drives up the dollar, makes imports cheaper, and costs Americans their jobs.

In other words, Ronald Reagan helped create the situation that threatened the footwear industry in the first place, and now he refuses to help it in its hour of need.

My colleagues, the President has forced our hand. The only solution left to us is legislative relief. We must swiftly pass H.R. 1973, the bill introduced by the gentlewoman from Maine [Ms. SNOWE]. I am proud to be a cosponsor of this important legislation.

It is up to us in Congress to save the American footwear industry.

Ms. SNOWE. Mr. Speaker, I would like to express my extreme disappointment at the President's denial last week of import relief for the American shoe industry. In one action, the administration shot down more than a year of efforts by the footwear industry to work through the established administrative relief process. The statistics of surging imports, massive plant closing, and severe worker dislocations made an overwhelmingly persuasive case for import relief, and in June the International Trade Commission voted for temporary quotas to give the industry the chance it has earned to get back on its feet. The existing relief process, however, provided discretion to the President on whether to implement the relief proposed by the ITC, which the President refused to do.

As the President's first major trade decision of the year, the callous and shortsighted action to deny import relief for the domestic shoe industry drives home two points. First is that the administration has forfeited its role in providing import relief for an industry whose very existence is threatened. We cannot leave this industry to die, as the administration has chosen to do. The footwear industry does not have another year to waste banging its head into

the unyielding wall of the administrative relief process.

Congress must act swiftly to provide that relief, and the vehicle for that action already exists in legislation I introduced last March: H.R. 1973, the American Footwear Industry Recovery Act. This legislation, which now has more than 90 cosponsors, would temporarily restrict imported footwear to 50 percent of the U.S. market. This is the level of import penetration which existed just 4 years ago. Today, imports have captured more than 75 percent of the domestic market, and are continuing to increase at an appalling rate.

The second point is that no industry can put credence any longer in established import relief procedures. The administration has proven its blindness to trade problems in its refusal to implement relief for the footwear industry, which suffers from precisely the kind of import problems for which the administrative relif process was originally created. Clearly, something is fundamentally wrong with existing relief procedures, and Congress must now reassert its constitutional authority on trade.

In the short term, we must ourselves take action on serious trade cases, such as footwear, that cannot wait for the creation of a new administrative relief process that can work. At the same time, we must move to reform U.S. trade laws, so that the United States will cease to be the designated dumping ground of all the predatory trading nations of the world.

Ms. MIKULSKI. Mr. Speaker, I rise today to extend thanks to the distinguished gentleman from Pennsylvania for reserving this special order on the issue of import relief for the domestic footwear industry. I strongly believe that the President's decision not to place import restrictions on nonrubber footwear products is both wrong and unrealistic.

Clearly, there is ample justification for import relief. Shoe imports now account for approximately 72 percent of the U.S. market. The ramifications of this import level are substantial and far reaching. First, unemployment in the domestic footwear industry reached 17 percent last year. By any measure, this is a deplorable level of joblessness. Second, domestic footwear production fell almost 11 percent last year, reaching its lowest level since the Depression. Last, well over 100 shoe manufacturing plants have closed since 1979 with many more likely to follow in the wake of the President's decision. All of these statistics present a miserable picture not only for the shoewear industry but also for the dozens of other, associated industries which will doubtless be affected by continuing high levels of imports.

Mr. Speaker, from my cosponsorship of the American Footwear Industry Recovery Act, H.R. 1973, to my cosigning of a letter to the President urging the adoption of the USITC recommended import restrictions, I have been a solid supporter of relief for the footwear industry. I urge the President to reconsider his decision and begin to address the vital needs of American industry and American workers.

Mr. HAYES. Mr. Speaker, as imports have grown, American jobs have decreased. This is a simple statistical fact that President Reagan somehow finds easy to ignore. In a decision that is nothing less than economic surrender, President Reagan has decided not to grant import relief to the nonrubber domestic footwear industry. In May of this year, the International Trade Commission found 5 to 0 that imports were seriously injuring the domestic industry and voted 4 to 1 to recommend to the President that he implement 5 years of quotas on imported shoes. The President could have either accepted this proposal, modified it, or rejected it. On August 28, President Reagan rejected the proposed industry relief, following his policy of not interfering in the free market. This is also consistent with his trade policy, which is nonexistent.

This is a clear example of an industry in need of import relief. In June of 1985, footwear imports increased 34.5 percent over June 1984. Also, June 1985 imports increased 19 percent over May 1985. Meanwhile, the domestic industry has taken great strides in order to become competitive with low-priced imports. They have reorganized and made commitments to put into place the technological and marketing improvements that are necessary. All that they asked for was the 5-year period of relief which would not only serve the domestic industry, but would save 200,000 American jobs.

The lack of any kind of trade policy is destructive to our Nation in many ways. According to research done by Data Resources, Inc., if import growth is not controlled, by 1990, joblessness will grow to 1.9 million, the trade deficit will increase by $21 billion, and $40 billion will be lost from the gross national product. Also, the incredible budget deficit that already threatens the economic security of the Nation will be increased an additional $24 billion.

President Reagan had an opportunity to stand up to the rising tide of imports but chose instead to support his "free trade" philosophy as opposed to the fair trade policies that temporary quotas would have provided. The lack of a coherent trading policy is but another example of the way that this administration has approached the economy. It has consistently chosen philosophy over people, free trade over fair trade, and symbolism over substance. In the face of fleeing American jobs and incredible budget and trade deficits, the President has made the wrong decision. He has, in effect, given domestic shoemakers the boot.

ASAT TESTING AND ARMS CONTROL

The SPEAKER pro tempore Under a previous order of the House, the gentleman from California [Mr. BROWN] is recognized for 60 minutes.

GENERAL LEAVE

Mr. BROWN of California. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks in connection with the subject which I propose to discuss this afternoon in my special order.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There is no objection.

Mr. BROWN of California. Mr. Speaker, earlier today I called to the attention of the House the fact that the President has authorized the testing of an anti-satellite weapon, the F-15 launched miniature homing vehicle, against an object in space. In his haste to have such a test conducted prior to his summit meeting with the Soviet leader Gorbachev, thus presumably demonstrating our resolve and our refusal to be bamboozled by Gorbachev's offer of an Asat test moratorium and comprehensive treaty prohibiting the deployment of any weapons in space, the President has ordered the test conducted against a defunct Air Force satellite now in orbit. He did this rather than wait for the already-scheduled test against an instrumented satellite, which could provide for a more complete analysis of the test results, apparently because the test would not occur until after the summit meeting in November.

In order to comply with the law, the President was required to certify to the Congress that he is negotiating in good faith with the Soviet Union for an Asat arms control treaty, that the test is essential to the security of the United States, that it will not do irreparable harm to the prospects for an arms control treaty for space weapons, and that it does not violate the ABM or other arms control treaties. I include the full text of the language in question at this point:

Public Law 98-473—October 12, 1984—Joint Resolution making continuing appropriations for the fiscal year 1985, and for other purposes.

Resolved by the Senate and the House of Representatives of the United States of America in Congress assembled,

SEC. 8100. (a) Nothwithstanding any other provision of law, none of the funds appropriated or made available in this or any other Act may be obligated or expended to test against an object in space the miniature homing vehicle (MHV) anti-satellite warhead launched from an F-15 aircraft unless the President determines and certifies to Congress—

(1) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on anti-satellite weapons consistent with the national security interest of the United States;

(2) that, pending agreement on such strict limitations, testing against objects in space of the F-15 launched miniature homing vehicle anti-satellite warhead by the United States is necessary to avert clear and irrevocable harm to the national security;

(3) that such testing would not constitute an irreversible step that would gravely

impair prospects for negotiations on anti-satellite weapons; and

(4) that such testing is fully consistent with the rights and obligations of the United States under the Anti-Ballistic Missile Treaty of 1972 as those rights and obligations exist at the time of such testing.

(b) During fiscal year 1985, funds appropriated for the purpose of testing the F-15 launched miniature homing vehicle anti-satellite warhead may not be used to conduct more than three tests of that warhead against objects in space.

(c) The limitation on the expenditure of funds provided by subsection (a) of this section shall cease to apply fifteen calendar days after the date of the receipt by Congress of the certification referred to in subsection (a) or March 1, 1985, whichever occurs later.

The President made his certification on August 20, 1985, while the Congress was in recess. The required 15-day waiting period expires today, and the test may occur at any time thereafter. There is no provision in the law by which the Congress may reject the certification, but the timing could not have been better calculated to minimize congressional awareness and discussion of the President's action.

In these remarks today, I intend to discuss each of the required four certifications in some detail, and to elaborate on the implications of this action for the future of arms control with the Soviet Union with regard to any weapons system and under any circumstances. I do this because, for many of us in the House, Asat arms control represents a case study, a test of the proposition that arms control is a reasonable option for this country in its relations with the Soviets. If we cannot control the current generation of technologically immature Asats, the likelihood is that we cannot control any arms system, particularly nuclear weapons, and that we are launched upon an infinitely more expensive arms race in space. The result will be an increased military instability; decreased national security; continued budgetary pressure on the Nation's social programs; decreasingly available funds, as well as scientific and engineering manpower, for civilian purposes; continued decline in the civilian economy's capacity for innovation and productivity improvement; and the likely decline in our ability to meet world economic competition.

The language of the law, as set forth above, requires that the President make four separate certifications to the Congress at least 15 days before an Asat test against an object in space may be conducted. I would like to include the full text of the President's response of August 20 to the certification requirements at this point in my remarks as follows:

MV ASAT TESTING CERTIFICATION

[Par. 1]

On March 31, 1984 I submitted a Report to the Congress, in classified and unclassified forms, which detailed many of the considerations involved in analyzing possible limitations on anti-satellite weapons. As that report notes, any realistic and balanced consideration of this topic must take into account a number of problems. These problems include: the need for effective verification; the potential for breakout; the risks of space weapons; the vulnerability of satellite support systems; and Soviet military space activity. In particular, it should be noted that definitional and monitoring difficulties plus the need to counter such satellites as the space-based targeting elements of Soviet weapons systems contribute to the conclusion that a comprehensive ban that would seek to eliminate development, testing, deployment, and use of all means of countering satellites is not verifiable and not in our national security interest. Moreover, no arrangements or agreements beyond those already governing military activities in outer space have been found to date that are judged to be in the overall interest of the United States and its Allies and that meet the Congressionally-mandated requirement of verifiability and consistency with the national security.

[Par. 2]

The United States is presently involved in negotiations at Geneva on a whole range of nuclear and space issues. At these negotiations, Ambassador Kampelman is, among other things, seeking to explore with the Soviet Union the merits of a strategic relationship characterized by a greater reliance on defenses.

[Par. 3]

We have been unable, to date, to identify a specific ASAT proposal which meets the requirements identified by the Congress in 1984. We are seriously exploring with the USSR arms control arrangements intended to prevent an arms race in space while—we hope—easing a possible transition to a more reliable and effective deterrent posture for both sides. We will continue to study possible ASAT limitations in good faith to see whether such limitations are consistent with the national security interests of the United States. We are, therefore, acting on conformity with the first certification requirement.

[Par. 4]

The primary purposes of a United States ASAT capability are to deter threats to space systems of the United States and its Allies and, within such limits imposed by international law, to deny any adversary advantages arising from the offensive use of space-based systems which could undermine deterrence.

[Par. 5]

The USSR has the world's only operational ASAT system with an effective capability to seek and destroy critical U.S. space systems in near-earth orbit. In 1982, a test of this system was integrated into an exercise of Soviet strategic offensive and defensive forces. Moreover, the USSR maintains a very large directed energy research program, including ground based lasers assessed to be capable of performing some ASAT functions. This program could also result in the launch of the first prototype of a space-based laser ASAR in the late 1980s or very early 1990s. In addition, since space systems are vulnerable to a broad range of threats from direct attack to electronic warfare to nuclear effects, the Soviet Union could have developed—without our knowledge—a variety of other means to attack our satellites.

[Par. 6]

There is also a growing threat posed by present and prospective Soviet satellites which, while not weapons themselves, are designed to support directly the USSR's terrestrial forces in the event of conflict. These include ocean reconnaissance satellites which use radar and electronic intelligence in efforts to provide targeting data for use in attacking U.S. and allied surface fleets. They also include photographic and electronic intelligence satellites which provide targeting data and other information useful in supporting Soviet land forces. These Soviet space assets constitute a clear threat to our national security and that of our allies.

[Par. 7]

The United States must take the steps necessary to avert a situation in which the Soviet Union has full freedom to conduct effective attacks on our space systems knowing that their space objects, including those that provide targeting data, are not vulnerable to U.S. attack. The resultant instability from this asymmetry creates a risk of irrevocable harm to the United States. U.S. development of a credible anti-satellite system is a necessary, integral part of the steps needed to avert this situation. Therefore, testing oi the MV against objects in space by the United States is necessary to avert clear and irrevocable harm to the national security of the United States and its allies.

[Par. 8]

The ASAT testing which we intend to undertake follows by twelve years the initiation by the USSR of its testing of a coorbital ASAT system which has for some time been the world's only operational ASAT system. The Soviets, moreover, as noted above, have tested and, in some cases deployed, systems which have inherent ASAT capabilities. The existence of such Soviet capabilities and their testing effectively preclude the possibility that testing by the United States of its MV ASAT will constitute an irreversible step.

[Par. 9]

In addition, we believe that testing can constitute an incentive to the Soviet Union to reach agreements on a wide range of issues and thus would not impair prospects for a successful conclusion to the negotiations now underway.

[Par. 10]

The testing against objects in space of the U.S. F-15 MV ASAT system will not give the system the capability to counter strategic ballistic missiles of their elements in flight trajectory and will not constitute a test in an ABM mode. Therefore, such testing is not prohibited by the ABM Treaty.

RONALD REAGAN.

The first of these certifications is; and I repeat it here:

(1) that the United States is endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on anti-satellite weapons consistent with the national security interests of the United States.

The President deals with this in paragraphs 1, 2, and 3 of his statement. In response to this first requirement of the law, the President restates his previous position, expressed over the last several years, that:

A comprehensive ban that would seek to eliminate development, testing, deployment, and use of all means of countering satellites is not verifiable and not in our national security interest. Moreover, no arrangements or agreements beyond those already governing military activities in outer space have been found to date that are judged to be in the overall interest of the United States.

The President goes on to restate his conclusion in slightly different words, as follows:

We have been unable, to date, to identify a specific ASAT proposal which meets the requirements identified by the Congress in 1984 . . . We will continue to study possible ASAT limitations in good faith to see whether such limitations are consistent with the national security interests of the United States. We are, therefore, acting in conformity with the first certification requirement.

Put in the simplest possible terms, the President's position is that no Asat arms control agreement is in the national interest, and therefore he is under no obligation to attempt to negotiate one, of whatever kind, regardless of the language of the law. However, to avoid undue affront to the Congress, he will "continue to study possible Asat limitations in good faith * * *."

It would be hard to imagine as more stark confrontation between the President and the Congress over a matter of high politicle principal vital to the security of this Nation than the confrontation represented by this certification.

The vital issue, however, is not the Asat, an overpriced and overrated military system of marginal strategic value. In fact, it may well be cancelld by the Pentagon in the near future, as was the similarly marginal Divad system.

The vital issue of high political principal is whether or not this administration, under even the most favorable of circumstances and conditions, will act to restrain the arms race with the Soviets by "* * * endeavoring, in good faith, to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on antisatellite weapons consistent with the national security interest of the United States," as required by the clear language enacted by the Congress. The President's statement that "* * * we will continue to study possible Asat limitations in good faith * * *" is absolutely nonresponsive to the language of the law.

Past administrations, of both parties, have sought in good faith, and frequently achieved, satisfactory and mutually beneficial arms control agreements with the Soviets. This President has taken the view, and expressed it frequently, that arms control agreements of any kind with the Soviets are not in the national interest, that the ones we have should be abrogated, and that no new ones should be entered into.

In accordance with that view, the President's first certification is a pious fraud, a not-very-clever effort to avoid the intent of the Congress by deliberate obfuscation and manipulation of reality. It was probably written by Kenneth Adelman, the President's loyal and subservient Director of the U.S. Arms Control and Disarmament Agency, [ACDA] whose attitude is well expressed in a speech he made before the Boston World Affairs Council—reported in the Boston Globe on June 5, 1985. Mr. Adelman is quoted as follows:

That [ASAT testing] certification is bull. Is Congress a bunch of Lilliputians trying to tie strings around the executive's hands?

Obviously at least this spokesman for the administration thinks the congressional certification requirement is bull, and that it can therefore be responded to with more bull, and that is what has been done.

It would have been far better, and much easier, for the President to have complied with the law by announcing that he would suspend further Asat testing, as the Soviets have done; or suspend testing after three tests and before the system could be declared operational; and table a proposal at Geneva to end all miniature homing vehicles tests if the Soviets would not further test their coorbital satellite interceptor. That minimum position would satisfy the first congressional certification requirement at no loss to the United States, and would save the taxpayers $4 billion if agreed to by the Soviets. We would not even probe into the issue of whether it was made in good faith.

Such a position would also be much more in our national security interests, which is the subject of the second certification, than would continue testing and deployment of the NHV Asat. It would allow both the United States and the Soviets to continue research on more advanced Asat systems, which we are both doing. This research, already far advanced, will undoubtedly give the United States the potential for a system far more superior to the Soviets than the MHV Asat would be. It would also release DOD funds for an even larger program of satellite survivability, a program on which we have spent billions, and which has already made all but a very small fraction of our military satellites invulnerable to the Soviet coorbital interceptor system. The remainder will be invulnerable to that system in the near future.

□ 1610

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

Mr. BROWN of California. I yield to my colleague, the gentleman from Pennsylvania.

Mr. COUGHLIN. Mr. Speaker, I want to congratulate my friend and colleague, the gentleman from California, for his leaderhip in the area of Asat testing. I could not agree with him more and I want to associate myself with the gentleman's remarks.

Just today I inserted into the RECORD an editorial from the Philadelphia Inquirer which suggested that certainly it does not make sense to engage in a testing of an Asat system at this time. This is our one real hope for a breakthrough in the area of arms control, because it is the first step toward an arms race in space that could be avoided and could be avoided in a way that is totally verifiable to the United States at no risk to our country because the Soviet antisatellite system, as the gentleman has pointed out, is a very primitive system and not a threat to our security.

Once we test an antisatellite system and have an operational system, heaven only knows where the process goes from there in terms of their wanting to have a system to equal ours and then our wanting to have a better system than theirs.

Here is a chance today. Now it is with us to stop the arms race in space right now by an absolutely verifiable process where we do not test and they do not test.

I just want to congratulate my colleague for his leadership in this for many years. I have appreciated the chance to work together with the gentleman.

Mr. BROWN of California. Well, I certainly want to thank my colleague for his kind remarks and I would be remiss if I did not point out that it is only through the gentleman's own very strong interest in this issue and the work that he has done that we have been able now for the last 2 years to convince the whole House of Representatives that an Asat moratorium and a negotiated Asat treaty is in the best interest of the United States. I hope that the gentleman and I can continue to work together to achieve that goal.

Mr. COUGHLIN. Mr. Speaker, if my colleague will yield further, I certainly look forward to doing that.

I understand that perhaps there has been another delay in the Asat testing. I hope there has, because I think that would enable us to at least keep that before the negotiations that are going on in Geneva and for the talks between the President and the leaders of the Soviet Union.

Mr. BROWN of California. Mr. Speaker, I thank the gentleman again. I think he might be interested in the next paragraph in my remarks, because our position is not an isolated and lonely position. It is in fact a position advanced in a report from this administration which they have disre-

garded. The position that Mr. Adelman expressed earlier that I mentioned is not the position represented by a report last December from the Arms Control and Disarmament Agency.

Oddly enough, despite the position taken by Mr. Adelman in support of the President's position on Asat arms control, the agency which he heads issued a report last December which supports an Asat treaty. The report states:

> It is the conclusion of this study that arms control measures for anti-satellite weapons can support United States security interests. It must be emphasized that arms control measures are not panaceas and are no substitute for programs to enhance satellite survivability and to monitor Soviet activities with respect to space. Yet survivability measures backed up by an arms control regime will, other things being equal, afford better protection to U.S. satellites than the same measures taken in the context of an unconstrained weapons competition.

Clearly a proposal such as I have suggested, which conforms to congressional intent, and is supported by the ACDA study would likewise strengthen the prospect for further arms control agreements on space weapons, instead of fatally wounding such prospects, and would signal our renewed commitment to the ABM Treaty. Further testing, and eventual deployment, of the MHV Asat goes in the opposite direction, and clearly that is the direction the President has chosen.

Having made these assertions, let me criticize in more detail the language of the President's first certification. The President stated, as I quoted earlier, that:

> . . . a comprehensive ban that would seek to eliminate development, testing, deployment and use of all means of countering satellites is not verifiable and not in our national security interest.

That statement is completely true. A ban on research and development in any field, military as well as civilian, is inherently impossible to verify, and not in the national interest of either the United States or the U.S.S.R. Rhetoric to the contrary is purely rhetoric and should not be considered seriously.

The statement is likewise irrelevant, since the Congress expressed no intent that the President seek a comprehensive ban on research and development. If it had attempted to, I would not have supported it. The President has therefore set up a strawman and demolished it. This may be considered clever by some, but is unbefitting a serious discussion of a vitally important issue.

What is verifiable and in our national security interest is a ban on testing of the current Asat systems on both sides, without which there is no credible possibility of deployment of an effective system. Such verification can be obtained by national technical means—reconnaissance satellites. Such capability for verification is attested to by every knowledgeable observer, and by the fact that we have observed every test of the Soviet coorbital satellite, and the results of each test. The last six tests, incidentally, were all failures, which may be one of the reasons the Soviets are eager to reach agreement banning such systems.

The deployment of the Soviet Asat system can also be verified by the United States through national technical means. We have photographed the missile which launches the system while on the launch pad. Constant observation of the launch pad, or launch pads, is not currently possible, but may be shortly. It is, however, not possible for the Soviets to verify the deployment of our F-15 system because of its small size, the large number of potential F-15 launchers, and the ease of concealing an F-15. If we were to seek a ban on deployment, as well as testing, it would be reasonable to propose onsite inspection in both countries. There is a good possibility the Soviets would accept such a proposal, since in this case they would benefit as much or more than we would. There would be no adverse results for us, and an important principal of onsite inspection and verification would be established, having benefits going far beyond an Asat test ban treaty.

A ban on the use of the current generation of Asat's is, of course, just as easily verifiable as a ban on tests. However, the use of an Asat which has not been thoroughly tested is inconceivable, an act without credible benefit to either side. Nor can an Asat be used if it is not deployed. A ban on testing would provide important advantage to both sides, and its purpose would be to prevent the credible deployment and use of the system. A ban on deployment and use, while somewhat redundant, could contribute to the overall effectiveness of a treaty, particularly if coupled with an onsite verification provision for deployment.

The President, having set up a strawman and demolished it, as a justification for not carrying out the expressed will of the Congress, goes on to the express the more fundamental reason for his failure to negotiate in good faith. He says:

> Moreover, no arrangements or agreements beyond those already governing military activities in outer space have been found to date that are judged to be in the overall interest of the United States . . .

That is the consistent position of the President throughout his life in politics, not only relating to military activities in space, but to all military activities of the United States. His reasons are simple and easily understandable. He feels that arms control treaties hold back U.S. military progress more than the Soviets, that economically and technologically we are superior to them, and as a consequence we should seek to exploit that superiority without restraint. In addition, he feels that the Soviets will seek to cheat on arms control agreements, while we will observe their provisions. Such cheating therefore renders any agreement a nullity, and will give the United States a false sense of security. Within this framework of reality, his position is understandable, even though it may be considered tragically short sighted and mistaken within a different framework of reality.

Within his framework of reality, the President is likewise quite consistent in proceeding apace with the SDI, which if tested or deployed would violate the ABM Treaty. He has no hesitation in making clear that when the day comes that SDI shows signs of bearing fruit, he will give notice of U.S. abrogation of the treaty and proceed at full speed to deploy it in space. In the meantime, he will maintain in all seriousness that the SDI is only a research program. He will avoid the ABM Treaty ban on testing ABM components in space by calling such tests Asat tests, or tests of subcomponents, rather than what they really are.

The President is an able, dedicated, patriotic leader. He is convinced that he is right, and that he must wage a war for the understanding and support of the American people in opposition to those obstructionists in the scientific community, the press, and Congress who seek to thwart him.

Those of us in the Congress who have a different framework of reality must not underestimate the President or the views which he espouses. We must confront them rationally and effectively; and since we are all politicians, we must wage the fight, as he is, for the ultimate purpose of gaining the understanding and support of the American people. We cannot afford to equivocate, compromise or retreat in the face of this confrontation. The American people expect more of their elected leaders.

Thus, the struggle in Congress for a moratorium and then a ban on Asat testing, deployment and use is more than a minor debate over a new military technology. It is, instead, a major battle in a war to establish a new framework of reality for our relations with the Soviets, and a new approach to the problems of nuclear war and human survival on this planet.

The second certification required of the president is—

> (2) that, pending agreement on such strict limitations, testing against objects in space of the F-15 launched miniature homing vehicle anti-satellite warhead by the United States is necessary to avert clear and irrevocable harm to the national security;

The President's response to this requirement is contained in paragraphs

4, 5, 6 and 7 of his statement, as set forth previously.

Prior to making a detailed analysis of this language, three general observations need to be made. First, the President has already said that no Asat agreement is in the interest of the United States and, therefore, he is not proposing one for negotiation with the Soviets. This obviously implies that the time pending before such an agreement with the Soviets could be reached stretches out to eternity, or at least to the end of his administration, which may seem like an eternity to some. The intent of the Congress was that the next Asat test would only be delayed until the President made a good faith effort to negotiate an Asat treaty with the Soviets, which could have occurred within weeks or months. If then no prospects for a treaty were in sight, and the national security would sustain clear and irrevocable harm, the testing could proceed. As a result of the President's position on the first certification we are dealing with two inconsistent timeframes in considering the question of testing. Obviously the congressional requirement that the President certify clear and irrevocable harm to the national security as a result of a relatively short pause in testing has been circumvented by the President's determination not to seek an agreement. His certification on the second point then deals generally with the need for the MHV Asat in the long run, not with harm to security of a short delay in testing, which the Congress sought. In this sense, the President's second certification is irrelevant to the mandate of the Congress, just as his first was.

The second general point is that the Asat test schedule has already been delayed over a year for technical reasons. Either the security of the country has been clearly and irrevocably harmed by this delay, in which case the President should have taken stronger action than he has, or the delay of another few months, or even another year, will be no more of a threat than the existing delay. The Soviets are obviously in no more threatening a position with regard to their co-orbital satellite interceptor than they were 3 years ago, since they have made no further tests in the last 3 years, and their last six tests were all failures.

The third general point has to do with the nature and timing of the next test. The MHV Asat will be tested against a defunct Air Force scientific satellite, not against the instrumented target satellite carefully designed over a period of years, and at a cost of tens of million of dollars, to provide the fullest possible data on the performance of the Asat warhead. The test will obviously be degraded and will provide considerably less than optimum data. A test against the instrumented target, which would provide optimum data, is already scheduled for November, probably after the President's summit meeting with Gorbachev. I would not be able to assert that the timing of the test was planned for its impact on the summit meeting, since I am not privy to the President's inner council. Nor could I say that the intended effect of the test was to further the President's longstanding position that we should reach no agreements on space arms, or any arms, with the Soviets. Conceivably, the President feels that for us to test, in spite of the Soviet's invitation to join in their unilateral test moratorium, will further the cause of arms control. Reasonable people might doubt that this will be the result. However, I think that I can assert that the test makes no major or essential contribution to the success of the Asat program, and certainly is not required to prevent clear and irrevocable harm to the national security.

Now with regard to the specifics of the President's certification that the United States will suffer clear and irrevocable harm to its national security unless the test is conducted: as I said earlier, the President does not even deal with the case that testing today, or next week, is necessary, but with the general need for the MHV Asat. And the first reason we need it is to "deter threats to space systems of the United States * * *." So we reasonably ask, does the Soviet co-orbital satellite interceptor pose a threat to our space systems?

This requires some description of the Soviet system. The first version of the Soviet Asat was equipped with a radar homing device and was tested extensively in space. It achieved no more than 60 percent success in its tests. Gen. Lew Allen, the Air Force Chief of Staff, testified that the system has "a very questionable operational capability." He further stated that "they have not had a test program that would cause us to believe it is a very credible threat." After General Allen's testimony, the Soviets conducted four more tests of the radar-equipped system. Three of the tests were failures, the fourth a partial success. Because even an effective radar guidance system can be frustrated by relatively simple electronic countermeasures, the Soviets then switched to an infrared [IR] homing device, which they tested six times up until 1982. All six of those tests were failures. Leslie Dirks, a former high-ranking CIA official, said "* * * It doesn't work. Anyone who has followed it closely would have to agree." Even absent the incorporation of effective countermeasures in our own satellites, which we are rapidly establishing, it is dubious that the Soviet Union could successfully attack one of our low-orbit reconnaissance satellites, and incur the risk of nuclear war, with such an unproven weapons system. That does not constitute a serious threat to U.S. security interests.

At the time that the Soviets began the development and testing of their Asat, in 1968, the United States had already tested an Asat system in the Pacific, using Thor rockets with nuclear warheads. That system was subsequently deployed and was in place until 1975. The most likely explanation of the Soviet efforts to develop a system is that they were trying to match the effort which we had already made. Our system was, of course, dismantled after we learned that a nuclear explosion in space would knock out our own satellites, as well as the Soviets, and after we signed a treaty prohibiting any nuclear weapons in space. The Soviets continued with testing of their system, using nonnuclear warheads, hoping to get as good a system as we had in 1975.

There are relatively few Members of Congress who were here in the 1960's and 1970's when we had an operating Asat, and even fewer who knew about our Asat system. That system was, incidentally, the fourth system we had tested, but the first that was actually deployed. Today's MHV Asat is the fifth generation of Asat's which the United States has tested over the past 25 years, but the sixth and seventh generation and possibly more, are undergoing laboratory development today and will soon be ready for testing.

You will hear from the Pentagon, or the President, about the 25 years of Asat research, development, testing, and deployment in which the United States has engaged. Nor will you hear about the next two generations of Asat's which are currently in R&D, when DOD officials come to Congress for the $4 to $5 billion they need for the MHV Asat. Instead, they tell you how far ahead the Soviets are, what a great threat their system poses to our space assets, how we must deter them from using theirs by having a better one, et cetera, et cetera. And they will tell you how vital to the national security the system is, right up to the day they cancel it, as was the case with Divad. The next day, of course, they will come in for $8 billion or $10 billion for the next generation system, and will give you the identical story over again.

The reason, quite simply, why we have such a bloated military budget is that the President and the Secretary of Defense feel quite free to use terms like "avert clear and irrevocable harm to the national security," and then define the meaning of that term in any way they see fit. Gullible Congressmen, who have a real and serious concern for the national security, generally will accept the administration's

line without serious analysis of their own. We must learn to do better.

The laughable aspect of the President's use of the deterrence argument in his certification is that the Soviets probably have given up on making a workable system out of their present generation Asat, and have seriously offered a treaty to ban Asat's because they know we are so far ahead of them in sophisticated space technology. That is self-serving and devious on their part, as we might expect, but it is also very much in our interest to accept such a proposal as long as it doesn't constrain further research and development on our part. We are on the verge of perfecting highly accurate and extremely powerful laser and other beam weapons and electromagnetic rail guns, to name two promising technologies which would have infinitely superior Asat capability compared to the MHV Asat.

We believe we can, within the next few years, develop a liquid-hydrogen-fueled hypersonic plane with the capability of flying from Earth into space, departing and landing from almost any airport, and having an efficiency which will reduce the cost of transporting cargo into space to 1 percent of present costs. Such a vehicle has great implications for the deployment of in-orbit Asat's. Our scarce budget dollars should go to the perfection of these multiuse technologies, to giving us world leadership in every promising research area which can contribute both to our economic and military security. To spend huge sums on deploying interim technologies that provide security only to the defense contractors who manufacture them is a waste of money and weakens, rather than strengthens, the United States. Yet that has been the general course we have followed in defense procurement.

The very concept of deterring an attack on one of our satellites by being able to knock one of theirs is a fiction, incapable of rational substantiation. There is no plausible scenarios under which an isolated attack on one of our reconnaisance satellites could take place, except as an integral part of a nuclear exchange with the Soviets. Destroying a reconnaisance satellite vital to maintaining military stability on both sides—but much more important to us—is an act of war, only justified in the event one side is planning to launch a nuclear war. A scenario in which each side destroys the other's reconnaissance satellites, one by one, in a "tit-for-tat" manner is so ridiculous as not to merit serious discussion. This is best evidenced by the fact that we would end up the loser in the exchange. Assuming perfect Asat's on both side's that could, one-by-one, knock out all the other sides satellites, our loss is far grater than the Soviet's because of our greater dependence on satellites. Why play a game you can only lose?

Perhaps it would be useful to elaborate on this point by describing the nature of the Asat-vulnerable satellites on both sides. The most important of such satellites are the photo-reconnaissance and electronic intelligence-gathering satellites. Both sides have them, but ours are at least two generations ahead of the Soviets. Weather satellites in low-polar orbits and a few others are also vulnerable, but none of our nuclear-burst detection, missile-firing detection or communication satellites are vulnerable.

The photo-reconnaissance satellites can take extremely accurate pictures of such important military targets as missile silos, air bases, seaports, communications centers, et cetera. Elint satellites, depending on their sophistication, can identify and collect data from radar emitters, and other electronic signals, including telephone conversations from automobile telephones. The United States earlier generation photo-reconnaissance satellites depend on physical recovery of the exposed film, which would be periodically parachuted to Earth. The Soviets only recently achieved that capability. Previously they had to return the satellite to Earth in order to retrieve the film. As the U.S. satellite exhausted all of its film spools, it would be necessary to send up another satellite, and the one in orbit would be commanded to destruct. We lost a lot of good satellites and cameras that way.

We assume that by now the Soviets have carefully targeted every significant military installation in the United States, just as we have in the U.S.S.R. The most significant difference between the current capabilities of our two systems is that we can now return the satellite photo and electronic data in real time by electronic means using relay satellites in geosynchronous orbit. We do not have to wait for physical recovery of film a week or a month after an event has occurred, as we believe the Soviets do. Nor do we even have to wait for the satellite to come in range of a U.S. ground station. Our station is in geostationary orbit. We do know that the Soviets understand our capabilities, since the manual for the KH-11 satellite was one of the items which they bought from an entrepreneurial U.S. citizen. Only U.S. citizens are deprived of this highly classified information about our satellite capabilities.

Our photo-reconnaissance satellites can sense earth data in a wide range of visible and invisible portions of the spectrum, including infrared and ultraviolet. We can thus determine in real time the existence of tank and troop movements, evacuation of cities, movement of air and naval forces. It has been said by some intelligence sources that we can identify Dolly Parton or Jimmy Durante among a crowd in Red Square. Infrared sensors can detect, by day or night, if factories are operating, barracks are occupied, equipment is moving. The results of such observations can be transmitted within minutes to command centers for evaluation and response.

Obviously this capability, concerning which I have only scratched the surface in this description, gives the United States vitally important, up-to-the-minute intelligence regarding Soviet military activities, and to some degree their intentions, as reflected in both military actions and communications. U.S. command authority has every reason to feel that the Nation is more secure as a result of our technical intelligence collection capabilities, and that the possibility of a sudden, preemptive Soviet military attack is minimal.

The Soviets, as I have mentioned, have no capability of comparable sophistication, but they do not really need it. U.S. newspapers provide the Soviets with the kind of information which we only obtain by technical means or by stealth and subterfuge in the U.S.S.R. Our technical and scientific publications provide the kind of data—pictures and operating characteristics of the MHV Asat, for example—not available about similar Soviet systems. We cannot keep secret even the existence of a small-scale military operation in our neighborhood, such as Cuba or Nicaragua. It would be impossible for us to initiate in secret the activities required for any major military activity on a global scale, and this should provide the kind of security to the Soviets which we get from our superior satellite reconnaissance capability.

Under these circumstances, as I have said before, a successful Soviet attack on our low-orbit reconnaissance satellites would be a serious blow to our national security. A similarly successful attack by the United States on their system would be a minor inconvenience to the Soviets. This turns upside down the conventional concept of deterrence, which demands that we be able to retaliate against any level of attack in such a way as to accomplish unacceptable damage to the aggressor. To achieve a level of damage substantially less than that accomplished by the aggressor provides no deterrence. The Soviet Union would consider it a great victory if they could trade all of their satellites for just a small part of ours. It would be like trading New York City or Washington, DC, for Minsk or Pinsk. How can military planners in good conscience suggest a strategy, such as that represented by the MHV Asat, in which we claim that we might deter the Soviet destruction of a key element in our national secu-

rity by threatening the Soviets with a minor inconvenience?

The answer, of course, is that military planners are not that stupid. They, or more probably, some less well-informed Presidential speechwriter will put these kinds of arguments into the President's statement, hoping to influence a few gullible Members of Congress. But the real strategy of the military is better disclosed by their plans for insuring the survivability of our satellites, despite any presently conceivable threat from the Soviets. These plans—most of them already being implemented—provide for making our satellites safe from electromagnetic pulse [EMP], lasers, and other radiation; maneuverable so as to avoid kinetic weapons; equipped with threat-warning sensors; capable of being replaced quickly with on-orbit spares, or by immediate launch of replacements from Earth, and other similar survivability programs, including a fight-back capability. Military expenditures on these vitally important measures exceed by a factor of 10 what we have spent on Asat's, and are a rough indication of military priorities. If deterrence is really desirable and important, it will come not from our Asat, but from our ability to destroy their Asat launch centers, or Asat command, control, and communication centers, in the event our satellites are attacked.

This is not to say that some elements of the military do not have a great desire for the MHV Asat. That desire is fundamentally premised on the theory that the United States will ultimately require a war-fighting capability in space, and some kind of Asat is essential to that war-fighting capability. The Navy's desire to knock out the Soviet Rorsat, which I will discuss shortly, is one of the first examples of the military desire to extend into space all of the capabilities they have, or would like to have, on Earth, such as the ability to knock out forward observation posts or warning radars, which are Earth-based counterparts of a Rorsat. This military desire for a war-fighting capability in space will not go away and must ultimately be faced. The Asat fight is a rather trivial side show, but to the military it is the entering wedge for their larger and infinitely more expensive goal.

If one is interested in playing war games, as the deterrence argument would seem to suggest, then we should discuss the most effective way to destroy all at once all the Soviet satellites, including their nuclear blast detection, missile firing detection and communications satellites. This feat is impossible with either of the two Asat systems in existence, but not beyond the reach of current technology. The most effective way would be to launch two shuttles, one in a polar orbit, the other in an equatorial orbit. Each shuttle would be loaded with the necessary number of small nuclear space mines, each space mine equipped with suitable guidance and propulsion systems, much as a communication satellite has today, and with a radio-activated detonator, such as the Soviets probably use on their co-orbital satellite. Each space mine would be launched toward the general vicinity of the target Soviet satellite, those aimed at geostationary and intermediate orbit targets being launched first, since they have the farthest to go. It is not necessary that they hit the target, or even come close, since a nuclear explosion within a few hundred miles will probably disable the satellite.

When all of the mines are in position they could then be exploded simultaneously by radio command from Earth. The two shuttles should be brought back to Earth before the explosions or we lose them also, and our own satellites should be maneuvered to orbits remote from Soviet satellites, or we should be prepared to launch replacements as soon as possible. As soon as all the Soviet's satellites are destroyed, we should plan to launch all of our ground-based missiles at their Soviet targets, and deploy all of our air and sea forces, away from their bases so that they will not be destroyed by the Soviet retaliatory attack. If the Soviets wait for 30 minutes after we knock out all their satellites and launch our missiles, we can then destroy most of their ground-based missiles in their silos, as well as many of their other vital military targets.

To achieve this minimum half-hour wait, we should probably have the President call Gorbachev on the hotline and tell him that the satellite strike was a mistake, and we will replace them all for free. If that ploy is successful, and if we destroy their command, control, and communication modes, they may not be able to order their submarine-based missiles and ground-based mobile missiles that survive to fire. On the other hand, they may not be able to order them not to fire either, and individual commanders, in accordance with previous orders, will automatically target every major population center in the United States. Or they may, of course, fire all their ground-based missiles upon warning of attack, which they would assume an attack on their satellites to be. In which case, we hope to God the SDI works perfectly, because Washington, DC, will be the first target.

Now this is a very plausible scenario, at least compared to a scenario in which each side knocks out the other's satellites one at a time. It is also probably being played over and over again at the Pentagon and at SAC headquarters in Omaha. It is likewise probably being played in Moscow, since they have the same technological capability that we do to make this scenario work. They would be somewhat more restrained than we would, because a larger percentage of our nuclear missiles are on submarines and invulnerable to preemptive attack. However, development and testing of space mine systems to accomplish this scenario can probably take place under a cover of peaceful satellite activity. In the event of an Asat arms race, it is relatively certain that space mines would be next on the agenda for development.

So much for our discussion of the deterrence theory as it relates to the MHV Asat.

The President next discusses the progress of the Soviet laser program and other programs and their potential application as Asat weapons. This is interesting, but irrelevant to the question of how our national security is threatened by not testing the MHV Asat. We have the same research programs, and are at least equal to and probably far ahead of the Soviets. We should continue with our programs, and they undoubtedly will continue with theirs. As I indicated previously, it is probably because they understand the potential of advanced technologies to the Asat mission, and our superiority in developing them, that they have quit testing their co-orbital satellite and are seeking a treaty to ban deployment of all space weapons. We have surpassed the Soviets in every aspect of high technology military uses of space. It is only natural that they would want to restrain the most expensive elements of the race, the deployment of successive generations of space hardware. But our own interests should be identical. We have demonstrated repeatedly our capability to far outpace the Soviets in research and development of advanced systems. We should devote our resources to continuing that lead, rather than wasting resources on unnecessary deployment of intermediate stages of hardware, which are made obsolete in a few years by new R&D.

The underlying fact which should cause us to refrain from making a battlefield out of space is the inherent fragility of all human infrastructures in space. The huge investments we are making, or planning to make, in peaceful civilian development, as well as the vitally important military systems now used to provide stability and enhance peacekeeping, can all be destroyed in an instant by either side. Right now the Soviets would obtain a very one sided benefit from that destruction. Our best strategy would be to encourage and assist them to commit the same level of resources to peaceful space development as we have, so that our losses would at least be equal in space war. But more importantly, we should both insist on preserving space

from becoming a battleground, keep the Asat's, the space mines, the laser battle stations in the science fiction magazines where they belong. And having set that example in space, try to apply it on Earth. We are moving in the opposite direction.

The next reason given by the President in justification of the MHV Asat, if not for the need for immediate testing, really gets down to the meat and potatoes of the issue. The Pentagon is not really worried about deterrence, and I have discussed above some of the reasons. If we can't deter the Soviets with our nuclear missile arsenal, then certainly a minor Asat superiority won't deter them, when we lose if we play the game.

But like all good warriors, the Navy wants to be able to take out the Soviet radar-equipped, nuclear-powered, ocean-observing satellites, Rorsats, which some Navy admirals believe threaten our carrier task forces at sea with their targeting capability. Many other naval experts, in and out of service, discount this argument, for good reasons.

Soviet Rorsats are in position to observe and target U.S. fleets only intermittently. Other location and targeting means are available to the Soviets, such as aircraft, submarines, trawlers, and over-the-horizon radars on land. Satellite radar capability is unreliable and can be seriously degraded by a variety of electronic countermeasures. If systems like the Soviet Rorsat were really useful, the U.S. Navy would have included similar capabilities in their own arsenal, and they have not done so, even though we have technology to do so equal or better than the Soviets. Vice Adm. Gordon Nagler, Director of Command and Control, Office of the Chief of Naval Operations, expressed a common view before the House Appropriations Committee in March 1983, when he said:

> I do not agree with the statement that it is very, very easy to target an aircraft carrier by Rorsat or Elint * * *. We can avoid that. We can really avoid that.

What it boils down to is that the Navy wants anything it can get in the way of marginally useful new technology, just as the Army wanted Divad, and considerations of cost, effectiveness, or strategic necessity and priority are not all that important. The Navy also probably worries a little bit about the high cost and marginal utility of carrier task forces in a central nuclear exchange and thinks that Asat's could play a small role in their survivability. We will probably have more important things to think about when nuclear war finally comes.

I repeat what I said earlier. The Navy, as well as the Air Force and the Army, and probably the Marines before long, want a warfighting capability in space. Navy force can now detect, attack, and destroy enemy submarine and surface forces, aircraft, and land radar installation that can track and locate them. They do not describe these Navy forces as deterrents, but as what they really are, superior warfighting capability, to be used only in case of war. The capability to make an Asat attack on the Soviet Rorsat is precisely the same, and has nothing to do with deterrence. And when war comes the Rorsat will be an absolutely useless piece of junk, either knocked out by nuclear explosions in space, or made useless by the destruction of its ground terminals in the U.S.S.R.

The President does not seem to be really worried with regard to the third certification, that our Asat test and deployment would not gravely impair prospects for negotiations, which he discusses in paragraphs eight and nine of his certification. Since he has already said that he didn't intend to negotiate, his optimism is understandable. Obviously, testing and deployment of our Asat is not going to interfere with negotiations nearly as much as a Presidential refusal to negotiate. He again justifies the testing by reference to the Soviet test of their co-orbital system. Yet, nowhere in his certification does he mention that the Soviets began the development and testing of their system only after the United States had developed and tested its own Asat system, and then had that system fully deployed for a number of years.

This one-sided view taken by the President is, of course, what fuels the never-ending spiral of the arms race. We point to what the other side is doing, yet never acknowledge that the other side justifies its action by pointing to what we have already done. This spiral must end. The President is not contributing to that goal by asserting, as he does, that "we believe that testing can constitute an incentive to the Soviet Union to reach agreement on a wide range of issues and would not impair prospects for a successful conclusion to the negotiations now underway." Such touching faith is admirable if sincere. But such an approach has never worked with the Soviets in the past, and probably will not in the future. And, of course, it does not work when the Soviets try similar tactics on us. We will know for sure when we see the results of the summit meeting in November.

We should comment briefly here on the relevance and purpose of the strategic arms limitation talks [SALT] process over the past generation, for it was aimed at curtailing this senseless spiral. Both sides recognized the difficulties of this process and the results might be marginal. Both sides felt that the primary value of the process was in the opportunities it presented to test the good faith of the other and to move incrementally and by stages toward a stable arms regime which protected the security of each side. Since neither side trusted the other's sincerity completely, and always recognized that some on the other side would never give up the goal of achieving decisive military superiority and eventual military victory over the other, such caution is both understandable and desirable.

Mechanisms, probably inadequate, but certainly capable of improvements, were included to resolve ambiguities and misunderstandings. Some understandings were reached as to certain key sensitivities on each side, such as the onsite inspection sensitivity of the Soviets. SALT was a noble experiment in attempting to achieve bilateral security arrangements, just as the League of Nations and the United Nations were noble experiments in trying to achieve multilateral political and security arrangements. All of these required that, on both sides, there be statesmen with a vision of a future peaceful world, who could help maintain the vigor and the momentum of the institutional processes.

What we have seen is the opposite. Those of little vision have usurped the processes and seek to use them for the old and discredited goals of achieving national military superiority, rather than joint or collective security. The minimum levels of confidence required to make the processes work are being steadily eroded. The goals on both sides are now more how to appear to support the goals of negotiations toward mutual security, rather than to support them in reality. Neither side wishes to forgo the political support of the masses in their own country and around the globe who desire peace and fear the nuclear holocaust to come.

Asat tests and deployment, negotiations in Geneva on nuclear and space arms, the SDI and the November summit must all be seen in this framework. The perceptual engineers on both sides are working diligently to win a war of illusions.

The last certification required of the President is that the test will not violate the ABM Treaty. The President responds in the two sentences of paragraph 10 of his certification.

> The testing against objects in space of the U.S. F-15 MHV Asat system will not give the system the capability to counter strategic ballistic missiles or their elements in flight trajectory and will not constitute a test in an ABM mode. Therefore, such testing is not prohibited by the ABM Treaty.

His statement is partially true, but neglects the real impact of the test. Development of the MHV was initiated many years ago as a part of research on ABM systems. It was magically transformed into an antisatellite weapon and mated with the F-15 as a launch vehicle as Asat research and development funding became more generous and ABM funding languished after the ABM Treaty. In the

eyes of those supporting a space-based ABM system, which is the anticipated end result of SDI, the MHV is a key ingredient in at least one tier of a four-tiered space and ground-based ABM system. In its new ABM resurrection, the MHV would be modified to be launched from a satellite, and thousands would be stationed aboard a fleet of satellites, to be launched during the midcourse trajectory of incoming enemy missiles. Perfection of the MHV through testing in an Asat mode serves perfectly the goal of the President to seek prompt deployment of a space-based ABM system. Assertions to the contrary merely indicate the cleverness of the administration in circumventing the well-known position of the Congress to maintain and strengthen the ABM Treaty.

We have now discussed the President's certification with regard to Asat tests in some detail, but by no means exhaustively. The underlying issue remains, should we negotiate with the Soviets on issues of arms control?

The subject of arms control agreements with the Soviets will always be complex and difficult. There are many Members of Congress who agree with the President that no Asat arms control agreement is in the national interest. Many of these members also agree with the President that SALT I, SALT II, the ABM Treaty, and all other arms control agreements with the Soviets do not serve the national interest.

There is a strong and legitimate case to be made for this position. As a practical, fact past and present arms control treaties have not constrained the arms race or increased national security. The most that can be said for them is that they may have temporarily restrained certain categories of arms expenditures, ABM systems for example, while other more mature systems proceeded at an accelerated pace. Arms control negotiations in the past, and today, take up enormous amounts of the resources and skilled manpower of our country, and presumably of the Soviets, for reasons not really related to a desire for arms control. Many in both nations, unfortunately, look upon arms control negotiations and arms control agreements, when reached, as merely another aspect of the mortal struggle in which they are engaged. Their purpose is to gain relative advantage over the other. There is little concept of mutual benefit, benefit to the community of nations, or benefit to future generations of mankind. Or rather, perhaps I should say that the view of many on each side is that the community of mankind and future generations will benefit most if the right side—their side—prevails completely over the other.

Then why do we engage in this charade? Probably because on both sides it is recognized that there is a great hunger among the masses of its citizens for a world free from war. That hunger runs through all of humanity as it contemplates the tragedy of past wars, the wastefulness of the preparation for war, and the potential destruction of the human race in a future war. The political power of this great hunger can be seen and measured in every society. The leaders of the superpowers must make obeisance to this hunger, even as they maneuver to undermine, subvert and defeat the other. The success of our leaders in co-opting the desire of the masses for peace into support for the military posture of each country becomes an element in the struggle for global superiority.

Mutually beneficial arms control agreements under these circumstances are highly unlikely. Even the process of attempting such agreements may lead to bitterness, cynicism, and a feeling of hopelessness among the idealists in Congress and throughout the world; a rejection of politics and politicians; possibly a retreat into mysticism or quietism; or, for some, a decision to engage in terrorism and senseless destruction to compensate for the failure of hope.

I venture briefly into the complexities of this discussion of arms control in general because the posture of the President on Asat arms control presents the problem in all of its starkness. If we cannot face it here, then arms control as a means to security and peace is doomed, and the Congress must face that fact. The gradual development of a climate of mutual trust and confidence, a major goal of the supporters of the SALT process, becomes an illusion.

Those who have supported arms control over the years are not all naive idealists. Some are quite pragmatic politicians and, on occasion, even statesmen. They have not sought arms control as a way to gain military superiority or to maneuver the peaceful sentiments of humanity for their own ends. They believe with all their hearts that unrestrained arms competition will, as it has throughout history, result in war. In today's world that war may be our last.

Nor do these supporters of arms control see these agreements as panaceas or an end to superpower rivalry and competition, or an acceptance of the superiority or even the desirability of the other side's political, economic, or social system. Most expect the competition to continue, and believe firmly in the superiority of their own system, and that that superiority will result in the continued strengthening of their systems and the eventual elimination or radical transformation of all competing systems. They believe so strongly in the superiority of their own systems that they are willing to compete in every arena of human activity, not merely in the arena of war. The reason is simple. Of all the arenas of competition, military confrontation and war hold the least promise for the survival of our system or for humanity.

From a pragmatic standpoint of national security, engaging in an arms race, or a military confrontation with the Soviets plays to their strength and to our weakness. As a totalitarian society under military threat, they are more able to devote the best of their limited economic resources to the continued development of their military power. As a democratic nation with noncredible aggressors on our boundaries, or even in our hemisphere, we have greater difficulty in maintaining the posture of a beleaguered nation under threat—a posture essential to the continued public sacrifice required in a militarized nation. We are experiencing these difficulties now, in connection with the fiscal year 1986 military budget. The Soviets experience no similar difficulties.

We are a technologically complex, highly specialized and highly centralized society. We have sacrificed simplicity and survivability for the presumed advantages of complexity. As a comparatively less developed and more dispersed society, the Soviets have an advantage in survivability and recuperation in the event of an all-out nuclear war. A totalitarian political and economic system would be required for the regeneration of all societies after a nuclear exchange. They have it. We do not.

As a self-contained and relatively self-sufficient continental land mass with interior lines of transportation and communication, they have an advantage in defense in depth which they have used effectively for centuries. For the United States to maintain a credible offensive military posture, it must control the global oceans and be able to move troops and supplies over global distances. U.S. command, control, and communication require satellite capability to a far greater extent than does the Soviet situation.

Our strength is in our ability to appeal to the highest aspirations of humanity, as it has been for centuries, and to contribute to the achievement of those aspirations throughout the world. Those who would attempt to defeat the Soviets by emulating them in their crude strategies of repression, secrecy, brutality, subversions, deception, control of political and social ideologies, and restrictions on scientific and technological exchange, are betraying the promise of American democracy and are doomed to failure. Our example of individual freedom, opportunity, respect for human rights, concern for the welfare of all citizens and commitment to growth and change, constitute our greatest

weapon in humanity's perpetual struggle against tyranny and injustice. Instead of using that weapon to the fullest, we are presumptuous enough to think that we can fight evil with evil, destruction with destruction. As a consequence, more and more of the world's population are rejecting both of the superpowers, seeing only tragedy and futility from becoming aligned with either.

In conclusion, we in the Congress must deal with both the broad question of how we reverse the deterioration in the SALT process, and with the erosion of the principles of collective security, and how we deal with the narrow question of the flagrant and insulting confrontation of the Congress by the President, as represented by his response to the certification requirement for an Asat test. I will leave the broad question for later discussion by those better qualified than I am, and deal here only with the congressional response to the President's Asat certification.

There are two actions that we could take that probably would be fruitless. A minimum-level response would be a joint resolution expressing the sense of the Congress that the President's certification was a fraud and nullity, nonresponsive to the congressional mandate. Even if passed, it would be of no legal effect and the President would disregard it. It might be a vehicle for some impassioned speeches in both the House and the Senate, but little else.

At the opposite end of the spectrum, articles of impeachment could be introduced in the House, and acted on by the Judiciary Committee. These articles would recite the failure of the President to well and faithfully execute the law, as required by his oath of office. Specific citations are numerous, going well beyond the Asat certification and including failure to prosecute violations of the Neutrality Act, the Boland amendment, the U.N. Charter, and the Charter of the Organization of American States [OAS]. The successful prosecution of an impeachment proceeding is highly unlikely at the present time, but the possibility must not be neglected.

More practical alternatives exist. The first of these would be to reject the conference report on the defense authorization bill, sending it back to conference with a demand that the position of the House on Asat tests be upheld. The House provided for a 1-year moratorium on tests if the Soviets refrained from testing. It was the Senate language which contained the now-discredited certification requirement. Since such language is an obvious nullity, it is mandatory that it be removed.

A second alternative is to use the vehicle of the military appropriations bill to work the will of the Congress on the executive branch. This can be done in either of two ways. First, repeat the House language calling for a moratorium on Asat testing. Second, strike all funds for the MHV Asat and cancel the program. A more reasonable use of the funds, if desired, would be to enhance R&D funds for next-generation Asat's and for satellite survivability options.

I would personally recommend that we do all of the above. That is, reject the conference report on defense authorizations; include Asat test moratorium language in the appropriations bill, or continuing resolution if that should develop; and kill the Asat Program. I invite my colleagues to give their serious consideration to all of these alternatives, so that in the days ahead, we may evolve a workable strategy for responding to the President, as he continues to flaunt the will of Congress.

□ 1710

A FACTFINDING MISSION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Georgia [Mr. RAY] is recognized for 30 minutes.

Mr. RAY. Mr. Speaker, I've just returned from a factfinding mission during the August recess, at taxpayers expense, in the 21 counties of my congressional district in Georgia.

The Third Congressional District has 4 percent of its population engaged in agriculture and the production of food. This compares to 1.4 percent of the total population nationwide.

I held a series of sessions with the beef and dairy cattle farmers and with those who are engaged in general farming.

I'm very concerned with the dispirited and discouraging frame of mind that I found among these groups. Their average age, nationwide, is 50 years old and many are not encouraging the younger generation to enter into an agricultural career.

I was unable to offer them assurance that things would be greatly improved upon the passage of the 4-year farm bill which is now being considered by the House and Senate Agriculture Committees.

However, Mr. Speaker, I do support the Glickman amendment to the farm bill. This amendment would establish a national commission on agricutural policy to review and examine the current farm situation in this country and make recommendations for consistent, long-term farm policy.

This is an idea which I have advocated many times in speeches before this House. In fact, I introduced House Concurrent Resolution 131 urging that a national commission be established, and 91 of my colleagues have joined me in cosponsoring this resolution. This resolution is still bottled up in the Agriculture Committee and Congressman GLICKMAN is a cosponsor.

I am genuinely concerned that American agriculture as we know it is rapidly deteriorating and the vigorous farm economy that we once enjoyed is disappearing. To handle this growing crisis, I believe that a united effort is needed.

I believe that agricultural experts from around the country should be called together to address the long-range concerns of the American agricultural industry.

Therefore, Mr. Speaker, I support Congressman GLICKMAN's proposal for a National Agriculture Commission and urge my colleagues to support it, too, because we must give our farmers as much hope as is possible.

Another serious concern in the Third Congressional District is the textile industry.

Until recently, this industry which founded the "industrial revolution" was the largest producer of manufactured goods in my district.

For the last 3 years, basic textile manufacturing plants, as well as apparel plants, have been closing their doors at an alarming rate. I'm told that nationwide, we have lost 50 percent of our manufacturing capacity which endangers national security.

The small community of Manchester, GA, just a short distance from Roosevelt's little white house at Warm Springs, lost its major textile plant several months ago, wiping out 750 jobs. The plant had opened in 1910.

During the August recess, while I was at home, one of the remaining plants in operation for 30 years, announced that it was closing its doors because of foreign imports of foundation wearing apparel and garments.

I'm told that many of the workers, mostly women, who had spent the majority of their lives in this plant were openly weeping.

Mr. Speaker, it grieves me to see these two vital American industries—agriculture, and the textile industry, going down the drain.

I would submit that countries such as Japan, France and Germany Denmark, Sweden and others would act to save themselves, and this Congress and this administration seems to simply fiddle while Rome burns.

As serious as these concerns are, there is a situation which is of more concern to my constituents and I would believe that it applies nationwide.

I refer to the ever increasing Federal debt and the deficit.

This matter seems to be on every groups mind, and they were extremely frustrated with the inability of the Congress to address this issue in the last budget resolution passed August 1.

There were accusations from my constituents that the Congress is not serious about cutting Federal spending.

That Congress is accepting deficit financing as a way of life.

Questions, such as: When is the Congress going to take action?

And just tell me, Congressman, why you and your colleagues can't get your act together on this serious matter?

One of my constituents told me that he thought I was doing a good job, but that unfortunately, in his opinion, I would have to be put out of office along with all of the rest of the rascals, in order to send a message to Congress. The rascals being Member's of Congress.

Several weeks ago, I mailed a questionnaire to 204,000 households in my district.

I want to share a representative sampling of the results. As follows—those who wanted to: Protect senior citizens were 5 percent, reduce unemployment were 5 percent, strengthen our defense were 8 percent, reduce the Federal deficit were 77 percent.

I think this points out the mood of the people, which the national polls also confirm.

Mr. Speaker, I recently cosponsored the Leath, MacKay, Slattery amendment, which I thought clearly addressed the deficit more seriously than the recent House/Senate Budget Committee resolution did.

I want to make the following observations.

This amendment would have cut the 1986 deficit by more than $70 billion, instead of the $55 billion, which the House/Senate conferees have cut. Some smoke and mirrors were allegedly used in the process, as some see it.

In my opinion, the 1986 budget resolution is merely better than no budget at all—but it is not a good budget.

It does not take advantage of the supportive mood of America which shouts out in no uncertain terms—"Congress, get our house in order."

It will not make a deep impact on the deficit and unfortunately, it means that for 1986, we will continue the policy of spending $5 for each $4 of revenue.

An extremely disturbing paragraph in the budget document predicts that the Congress will once again raise the debt limit from its already record breaking limit of $1.8 trillion to $2.5 trillion by 1988. Mr. Speaker, I will find it difficult to vote for this measure along with many of my colleagues.

The American people are bound to be frustrated and at their wits end, at the seeming inability of Congress to cope with this disastrous situation which is feeding the trade deficit, mortgaging the future of generations and developing a new entitlement program in the interest due on the national debt which will soon consume 20 cents of each tax payers dollar.

What is the problem? Why can't we cope with this serious concern—when we examine the attitudes of the administration and the Congress we find that the President wants to curb Federal spending and blames the Speaker of the House, Mr. O'NEILL and the Democratic Congress for runaway spending.

The Speaker of the House points out that the national debt has doubled under President Reagan from $925 billion to a debt limit of $1 trillion, $800 billion.

The liberals, are pointing fingers at conservatives and saying, "Its all your fault."

The conservatives are pointing fingers at the liberals and saying, "Its all your fault."

As near as I can tell, all 535 Members of the House and Senate, me included, want the budget balanced. So what is the trouble?

I believe that we can get a hint at the problem when we examine the results of the Leath, Slattery, MacKay amendment.

It would have stopped the indiscriminate growth of the Pentagon budget, yet, it would not have harmed an adequate defense.

It would have addressed the entitlement trap that we find ourselves in, but it would not have violated the basic commitments that we have to Social Security, veterans benefits, and civilian retirees.

It would have protected the poor and would have supported education in an appropriate manner.

It would have closed the loopholes on companies and people who make millions and billions and pay no taxes.

It would have probably prevented increasing the debt limit to $2½ trillion in 1988 because it would have cut the deficit by $350 billion in 3 years.

Finally, among other things, it would have addressed head-on forthrightly, and fairly, the real problem—our massive Federal deficit!

The amendment gave the Congress what we say we've been looking for—an opportunity to stand up and to be counted—to tighten our belts and to do what the people of America are demanding that we do—to slow down this irresponsible deficit and bring it to a halt.

It had every reason to be considered—it was well thought out and double checked by the Budget Committee and the Congressional Budget Office. Yet, it received only 56 votes—(41 Democrats and 15 Republicans) with a total of 372 voting against the amendment.

Now why didn't we support the amendment?

Perhaps a lack of intestinal fortitude, or——

Did it cut too deep into national defense, for some?

Were some concerned because it temporarily froze the cost of living for retirees?

Did the references to revenue enhancement or a tax increase scare some away?

No doubt, some Members voted with the majority, believing that you can't go wrong politically, voting for a lopsided measure.

The answer is—all of the above.

And also perhaps many faced up to the real problem: It might be politically risky.

Well, I'm proud to say that I voted for it, because in the words of Congressman MARVIN LEATH in the final debate of the amendment, he said, "the number one problem is so big, so dangerous, so threatening, that we, as a Congress are going to have to take some risks.

He went on to say that "I have never found an ounce of risk in being responsible."

My friends, there is another group to blame—"the American people" and their special interest groups who are in favor of a balanced budget and fiscal responsibility, and tax reform, as long as we do not cut into their special interest.

Its my opinion that as long as we look to the next election, and try to walk the narrow lines of pleasing and voting to suit these various groups—we will not make progress in our desires to return our country to a sound fiscal and trade policy.

I sense that the voters of America are getting fed up! That they don't care whose fault it is—they just want Congress to carry out our responsibilities and to solve the problem.

I believe that the checks and balance system built into our Constitution by our Founding Fathers, does work and will eventually work in this case.

I firmly believe also, that eventually there will be such an uprising and outcry by the American people against the fiscal policy we are practicing, that the Congress will respond.

It is possible that many of us will be replaced by the voters in the process, and its true that some of us who are "voices crying in the wilderness" will be carried out with the flood!

But until the pendulum begins to swing the other way, we should, as a body, resolve to vote in a consistent manner and to carry out a commonsense policy against fiscal irresponsibility, ignoring partisan policies when necessary.

We should never forget the freedom and advantages which we have as Americans and that is now being undermined and threatened by a massive debt that has now forced America into the category of a debtor nation. Never-

theless, we must be upbeat and proud to stand up for our country.

America, right or wrong, is our country, with the freedom to say what we believe, the freedom to condemn the government, the freedom to make these comments on the floor of the House of Representatives which we could never do in the Soviet Union and other Eastern bloc countries, and the freedom to put into or out of office, elected officials that we do not agree with, which is a tool that our constituents may choose to use, if we don't address the deficit problem.

We have a right to be a proud Nation and we do indeed have a lot to be proud of. So let us as Members of Congress decide now to put our shoulders to the wheel, as we know Americans can do, and resolve these troubling problems.

Mr. Speaker, this concludes my report on my August factfinding trip.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, DC,
August 20, 1985.

Hon. THOMAS P. O'NEILL, Jr.,
Speaker, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: On July 25, 1985, I informed you that I had been served with a subpoena issued by the United States District Court for the District of Columbia.

In consultation with my General Counsel, I have determined that compliance with the subpoena is consistent with the privileges and precedents of the House.

Sincerely,

BENJAMIN J. GUTHRIE,
Clerk, House of Representatives.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. JONES of North Carolina (at the request of Mr. WRIGHT), for this week, on account of official business.

Mr. BEVILL (at the request of Mr. WRIGHT), for this week, on account of medical reasons.

Mrs. BOGGS (at the request of Mr. WRIGHT), for this week, on account of serving as a delegate to the meeting of the Inter-Parliamentary Union.

Mr. HYDE (at the request of Mr. MICHEL), for today and balance of week, on account of serving as a delegate to the meeting of the Inter-Parliamentary Union.

Mr. HUNTER (at the request of Mr. MICHEL), for today and the balance of the week, on account of illness in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. KOLBE) to revise and extend their remarks and include extraneous material:)

Mr. GOODLING, for 60 minutes, today.

Mr. GILMAN, for 60 minutes, on October 16.

Mr. CRAIG, for 60 minutes, on September 10.

Mr. CRAIG, for 60 minutes, on September 11.

Mr. CRAIG, for 60 minutes, on September 12.

Mr. MOLINARI, for 60 minutes, on September 11.

(The following Members (at the request of Mr. CHAPMAN) to revise and extend their remarks and include extraneous material:)

Mr. CROCKETT, for 5 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. GONZALEZ, for 5 minutes, today.

Mr. ALEXANDER, for 30 minutes, today.

Mr. BROWN of California, for 60 minutes, today.

Mr. RAY, for 30 minutes, today.

Mr. GAYDOS, for 30 minutes, today.

Mr. CROCKETT, for 5 minutes, on September 5.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. KOLBE) and to include extraneous matter:)

Mr. GREEN.

Mr. GROTBERG.

Mr. COUGHLIN.

Mr. COURTER in two instances.

Mr. GUNDERSON in two instances.

Mr. MCKERNAN in two instances.

Mr. DAUB in two instances.

Mr. BROOMFIELD in five instances.

Mr. FAWELL.

Mr. SWINDALL.

(The following Members (at the request of Mr. CHAPMAN) and to include extraneous matter:)

Mr. ANDERSON in 10 instances.

Mr. GONZALEZ in 10 instances.

Mrs. LLOYD in five instances.

Mr. HAMILTON in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. DE LA GARZA in 10 instances.

Mr. STARK in six instances.

Mr. LEHMAN of Florida.

Mr. DYSON in four instances.

Mrs. BOXER.

Mr. TRAFICANT.

Mr. FUSTER.

Mr. MARKEY.

Mr. FRANK in two instances.

Mr. RAHALL.

Mr. MCHUGH in two instances.

Mr. PANETTA.

Mr. GAYDOS.

Mr. YATRON.

Mr. COELHO.

Mr. COLEMAN of Texas.

Mr. HALL of Ohio.

Mr. FAUNTROY.

Mr. SCHUMER.

Mr. LELAND.

Mr. VENTO.

Mr. BERMAN.

Mr. HUBBARD.

Mr. STUDDS.

ENROLLED BILLS AND JOINT RESOLUTION SIGNED

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee had examined and found truly enrolled bills and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker pro tempore:

H.R. 2068. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board for International Broadcasting, and for other purposes;

H.R. 2370. An act to amend the Public Health Service Act to extend the programs of assistance for nurse education;

H.R. 2577. An act making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes;

H.R. 2908. An act to amend title XI of the Education Amendments of 1978, relating to Indian education programs; and

H.J. Res. 251. Joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

SENATE ENROLLED BILLS AND JOINT RESOLUTIONS SIGNED

The SPEAKER pro tempore announced his signature to enrolled bills and joint resolutions of the Senate of the following titles:

S. 960. An act to authorize international development and security assistance programs and Peace Corps programs for fiscal years 1986 and 1987, and for other purposes;

S. 1147. An act to amend the orphan drug provisions of the Federal Food, Drug, and Cosmetic Act and related laws;

S.J. Res. 98. Joint resolution condemning the passage of Resolution 3379, in the United Nations General Assembly on November 10, 1975, and urging the U.S. Ambassador and U.S. delegation to take all appropriate actions necessary to erase this shameful resoluton from the record of the United Nations;

S.J. Res. 137. Joint resolution to designate the week of December 15, 1985, through December 21, 1985, as "National Drunk and Drugged Driving Awareness Week"; and

S.J. Res. 168. Joint resolution designating August 13, 1985, as "National Neighborhood Crime Watch Day."

BILLS AND JOINT RESOLUTIONS PRESENTED TO THE PRESIDENT

Mr. ANNUNZIO, from the Committee on House Administration, reported that that committee did on the following days present to the President, for his approval, bills and joint resolutions of the House of the following titles:

On August 2, 1985:

H.J. Res. 164. Joint resolution to designate August 4, 1985, as "Freedom of the Press Day."

On August 8, 1985:

H.R. 2058. An act to authorize appropriations for fiscal years 1986 and 1987 for the Department of State, the U.S. Information Agency, the Board of International Broadcasting, and for other purposes;

H.R. 2370. An act to amend the Public Health Service Act to extend the programs of assistance for nurse education;

H.R. 2577. An act making supplemental appropriations for the fiscal year ending September 30, 1985, and for other purposes;

H.R. 2908. An act to amend title XI of the Education Amendments of 1976, relating to Indian education program; and

H.J. Res. 251. Joint resolution to provide that a special gold medal honoring George Gershwin be presented to his sister, Frances Gershwin Godowsky, and a special gold medal honoring Ira Gershwin be presented to his widow, Leonore Gershwin, and to provide for the production of bronze duplicates of such medals for sale to the public.

ADJOURNMENT

Mr. RAY. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 5 o'clock and 17 minutes p.m.), the House adjourned until tomorrow, Thursday, September 5, 1985, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

1816. A letter from the Secretary of Agriculture, transmitting a report on agricultural research, extension, and teaching activities, pursuant to Public Law 95-113, section 1410 (95 Stat. 1302); to the Committee on Agriculture.

1817. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to amend the Federal Meat Inspection Act, the Poultry Products Inspection Act and the Egg Products Inspection Act to increase the authority of the Secretary of Agriculture to refuse to provide, or withdraw, inspection service, and to authorize the Secretary to determine the degree of inspection to be conducted in meat, poultry, and egg processing plants, and for other purposes; to the Committee on Agriculture.

1818. A letter from the Acting Director, Office of Management and Budget, transmitting the supplementary summary of the budget for the ensuing fiscal year, pursuant to 31 U.S.C. 1106(a)(1) (H. Doc. No. 99-99); to the Committee on Appropriations and ordered to be printed.

1819. A letter from the Acting Director, Office of Management and Budget, transmitting a cumulative report on rescissions and deferrals of budget authority, pursuant to 2 U.S.C. 685(e) (H. Doc. No. 99-96); to the Committee on Appropriations and ordered to be printed.

1820. A communication from the President of the United States, transmitting a fiscal year 1985 budget supplemental of the District of Columbia budget, pursuant to Public Law 93-198, section 446 (87 Stat. 806); Public Law 98-473, section 101(b) (98 Stat. 1837) (H. Doc. No. 99-97); to the Committee on Appropriations and ordered to be printed.

1821. A letter from the Acting Comptroller General, General Accounting Office, transmitting a review of a deferral of budget authority from the U.S. Information Agency as contained in the President's July message (H Doc. 99-90), pursuant to 2 U.S.C. 685 (H. Doc. No. 99-98); to the Committee on Appropriations and ordered to be printed.

1822. A letter from the Acting Director, U.S. Information Agency, transmitting a report on the over-expenditure of funds allotted to the U.S. Information Service in Pretoria, South Africa, pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1823. A letter from the Secretary, Railroad Retirement Board, transmitting a report of a violation in the fiscal year 1985 "Railroad Social Security Equivalent Benefit Account," pursuant to 31 U.S.C. 1517(b); to the Committee on Appropriations.

1824. A letter from the Acting Assistant Secretary of Defense (Comptroller), transmitting a supplemental report of development and procurement schedules for each weapon system for which authorization is required for the period between September 1 to October 31, 1985, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

1825. A letter from the Acting Deputy Assistant Secretary of Defense for Logistics and Communications, transmitting notice of decision to convert to contractor performance the source data entry function at Kelly Air Force Base, TX, pursuant to 10 U.S.C. 2304 note; to the Committee on Armed Services.

1826. A letter from the Acting Secretary of the Navy, transmitting notification that the increase in the fiscal year 1985 procurement unit cost of the Phoenix missile is due to a reprogramming action associated with a second source of production, pursuant to 10 U.S.C. 139(b)(3)(A); to the Committee on Armed Services.

1827. A letter from the Assistant Secretary of the Navy (Shipbuilding and Logistics), transmitting notice that the Department of the Navy plans to study the conversion from in-house operation to commercial contract various functions in California, Florida, Illinois, and Virginia, pursuant to 10 U.S.C. 2304 note; to the Committee on Armed Services.

1828. A letter from the Assistant Secretary of Defense, transmitting a review of special pay for health professionals, pursuant to 37 U.S.C. 303a(c); to the Committee on Armed Services.

1829. A letter from the Assistant Secretary of Defense (Comptroller), transmitting a listing of contract award dates for the period September 1, 1985 to October 31, 1985, pursuant to 10 U.S.C. 139(b); to the Committee on Armed Services.

1830. A letter from the Assistant Secretary of Defense (Comptroller), transmitting the selected acquisition reports [SAR] and SAR summary tables for the quarter ending June 30, 1985, pursuant to 10 U.S.C. 139a(b)(1) and (f) (96 Stat. 740); to the Committee on Armed Services.

1831. A letter from the Deputy Assistant Secretary of Defense for Logistics and Communications, transmitting notice that the telephone switchboard at Tinker Air Force Base will be converted to contractor performance, pursuant to 10 U.S.C. 2304 note; to the Committee on Armed Services.

1832. A letter from the Deputy Chief, Program Liaison Division, Office of Legislative Liaison, Department of the Air Force, transmitting a report on research and development contracts over $50,000 for the Air Force, pursuant to 10 U.S.C. 2357; to the Committee on Armed Services.

1833. A letter from the Chairman, National Advisory Council on International Monetary and Financial Policies, transmitting the Council's annual report, pursuant to 22 U.S.C. 284b, 285(b), 286b(b)(5), (6), 286b-1, 290i-3; to the Committee on Banking, Finance and Urban Affairs.

1834. A letter from the Secretary of the Treasury, transmitting the annual report on the operations of the Exchange Stabilization Fund for fiscal year 1984, pursuant to 31 U.S.C. 5302(c)(2); to the Committee on Banking, Finance and Urban Affairs.

1835. A letter from the Treasurer of the United States, transmitting a report on activities relating to the minting of 1984 Los Angeles Olympic Games' coins, pursuant to Public Law 97-220, section 11; to the Committee on Banking, Finance and Urban Affairs.

1836. A letter from the Auditor, District of Columbia, transmitting a report entitled, "University of the District of Columbia President's Representation Fund Fiscal Year 1984 Annual Report," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1837. A letter from the Auditor, District of Columbia, transmitting the annual audit of the D.C. Lottery Charitable Games Control Board for fiscal year 1984, pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1838. A letter from the Auditor, District of Columbia, transmitting a report entitled, "Revenue Report for May 1985," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1839. A letter from the Auditor, District of Columbia, transmitting a report entitled, "University of the District of Columbia President's Transition Account Expenditures," pursuant to Public Law 93-198, section 455(d); to the Committee on the District of Columbia.

1840. A letter from the Chairman, Council of the District of Columbia, transmitting District of Columbia Act 6-72. "Youth Rehabilitation Amendment Act of 1985," and report, pursuant to Public Law 93-198, section 602(c); to the Committee on the District of Columbia.

1841. A letter from the National Advisory Council on Indian Education, transmitting the annual report of activities, pursuant to Public Law 92-318, section 442(b)(6); to the Committee on Education and Labor.

1842. A letter from the Secretary, Department of Education, transmitting final regulations for the Research in Education of the Handicapped Program, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1843. A letter from the Secretary, Department of Education, transmitting final funding priorities for research fellowships, pur-

suant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1844. A letter from the Secretary, Department of Education, transmitting final regulations for the Emergency Immigrant Education Program, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1845. A letter from the Secretary, Department of Education, transmitting final regulations for Training of Interpreters for Deaf Individuals Program, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1846. A letter from the Secretary, Department of Education, transmitting final regulations for the Library Services and Construction Act—State-Administered Program and direct grant programs for Indian tribes and Hawaiian natives, foreign language materials acquisition, and literacy, pursuant to GEPA, section 431 (d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1847. A letter from the Secretary, Department of Education, transmitting final regulations for Bilingual Education: State Educational Agency Program, pursuant to GEPA, section 431 (d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1848. A letter from the Secretary, Department of Education, transmitting final regulations for Bilingual Education: Fellowship Program, pursuant to GEPA, section 431 (d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1849. A letter from the Secretary, Department of Education, transmitting final regulations for Assistance for Local Educational Agencies in Areas Affected by Federal Activities and Arrangements for Education of Children Where Local Education Agencies Cannot Provide Suitable Free Public Education, pursuant to GEPA, section 431 (d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1850. A letter from the Secretary, Department of Education, transmitting final regulations for the National Graduate Fellows Program, pursuant to GEPA, section 431 (d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1851. A letter from the Secretary of Education, transmitting final amendments for the State Vocational Education Program and Secretary's Discretionary Programs of Vocational Education, pursuant to GEPA, section 431(d)(1) (88 Stat. 567; 90 Stat. 2231; 95 Stat. 453); to the Committee on Education and Labor.

1852. A letter from the Secretary of Health and Human Services, transmitting the annual report for fiscal year 1984 of the Administration on Aging of the Department of Health and Human Services, pursuant to Public Law 89-73, sections 206(d) and 423(c) (92 Stat. 1515; 95 Stat. 1596); to the Committee on Education and Labor.

1853. A letter from the Secretary of Agriculture, transmitting the annual Horse Protection Enforcement Report, pursuant to Public Law 91-540, section 11 (90 Stat. 920); to the Committee on Energy and Commerce.

1854. A letter from the Department of Energy, transmitting the quarterly report on the Strategic Petroleum Reserve for the period of April through June 1985, pursuant to EPCA, section 165(b) (95 Stat. 620); to the Committee on Energy and Commerce.

1855. A letter from the Secretary of Energy, transmitting the annual report on the State Energy Conservation Program for calendar year 1984, pursuant to EPCA, section 365(c); to the Committee on Energy and Commerce.

1856. A letter from the Secretary of Health and Human Services, transmitting the twelfth report of the National Heart, Lung, and Blood Advisory Council, pursuant to PHSA, section 418(b)(2) (90 Stat. 404); to the Committee on Energy and Commerce.

1857. A letter from the Secretary, Securities and Exchange Commission, transmitting the fourteenth annual report of the Securities Investor Protection Corporation for the year 1985, pursuant to Public Law 91-598, section 7(c)(2); to the Committee on Energy and Commerce.

1858. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50 million or more to Egypt, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1859. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notification of a proposed license for the export of defense articles or services sold commercially under a contract in the amount of $50 million or more to British Aerospace, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1860. A letter from the Acting Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice of intent to issue commercial export license for the sale of certain defense equipment to the Government of Canada, pursuant to 22 U.S.C. 2776(c); to the Committee on Foreign Affairs.

1861. A letter from the Acting Director, Agency for International Development, transmitting justification of an increase in the funding level of the proposed fiscal year 1985 program in Rwanda, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1862. A letter from the Director of Legislative Affairs, Agency for International Development, transmitting justification of an increase in assistance in Zambia, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1863. A letter from the Director of Legislative Affairs, Agency for International Development, transmitting justification for an increase in assistance in Malawi, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1864. A letter from the Director, Defense Security Assistance Agency, transmitting a report on a proposed lease of defense articles to Turkey (Transmittal No. 8-85), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

1865. A letter from the Director, Defense Security Assistance Agency, transmitting a report on a proposed lease of defense articles to Turkey (Transmittal No. 10-85), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

1866. A letter from the Director, Defense Security Assistance Agency, transmitting a report on proposed lease of defense articles to Turkey (Transmittal No. 11-85), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

1867. A letter from the Director, Defense Security Assistance Agency, transmitting a report on a proposed lease of defense articles to Turkey (Transmittal No. 9-85), pursuant to 22 U.S.C. 2796(a); to the Committee on Foreign Affairs.

1868. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting a justification for the proposed modification in the assistance proposed for Mozambique for fiscal year 1985, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1869. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting a justification of an increase in the funding level in Ghana for fiscal year 1985, pursuant to 22 U.S.C. 2413(b); to the Committee on Foreign Affairs.

1870. A letter from the Director, Office of Legislative Affairs, Agency for International Development, transmitting a report on amounts obligated and expended in Nicaragua for international security and development assistance, pursuant to Public Law 97-113, section 724(e) (95 Stat. 1553); to the Committee on Foreign Affairs.

1871. A communication from the President of the United States, transmitting a bimonthly report on progress toward a negotiated solution of the Cyprus problem, including any relevant reports from the Secretary General of the United Nations, pursuant to 22 U.S.C. 2373(c); to the Committee on Foreign Affairs.

1872. A letter from the Secretary of State, transmitting the semi-annual reports for the period October 1984-March 1985 listing voluntary contributions by the U.S. to international organizations, pursuant to 22 U.S.C. 2226(b)(1); to the Committee on Foreign Affairs.

1873. A letter from the Secretary of State, transmitting determination that it is in the national interest in grant assistance to the Republic of the Philippines, pursuant to 22 U.S.C. 2370(q); to the Committee on Foreign Affairs.

1874. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements, other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1875. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1876. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting copies of international agreements other than treaties, entered into by the United States, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

1877. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions for Hugh Montgomery of Virginia, to be the Alternate Representative of the United States of America for Special Political Affairs in the United Nations, with rank of Ambassador, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1878. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a report of political contributions for Herbert S. Okun,

Deputy Representative to be of the United States of America to the United Nations, with rank and status of Ambassador Extraordinary and Plenipotentiary, pursuant to 22 U.S.C. 3944(b)(2); to the Committee on Foreign Affairs.

1879. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting notice that the Government of Turkey has requested that the U.S. Government permit the use of Foreign Military Sales financing for the purpose of co-assembly of aircraft in Turkey, pursuant to 22 U.S.C. 2791(b); to the Committee on Foreign Affairs.

1880. A letter from the Comptroller General, General Accounting Office, transmitting a list of all reports issued by GAO during July 1985, pursuant to 31 U.S.C. 719(h); to the Committee on Government Operations.

1881. A letter from the Comptroller General, General Accounting Office, transmitting an examination of the Senate Building Beauty Shop Financial Statements for the fiscal years ended February 28, 1985 and February 29, 1984 (GAO/AFMD-85-64), pursuant to 40 U.S.C. 193m-1; to the Committee on Government Operations.

1882. A letter from the Acting Administrator, Office and Management and Budget, transmitting notification regarding recommendations for achieving full and open competition on the basis of technical qualifications and quality in procurement of professional, technical, and management services, pursuant to 41 U.S.C. 407 note; to the Committee on Government Operations.

1883. A letter from the Acting Assistant Secretary for Health, Department of Health and Human Services, transmitting a report on a new system of records, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1884. A letter from the Acting Director, Office of Management and Budget, transmitting a draft of proposed legislation to eliminate or change statutory requirements preventing the reduction of paperwork burdens and regulatory simplification; to the Committee on Government Operations.

1885. A letter from the Acting Director, Office of Management and Budget, transmitting a draft of proposed legislation to amend the Office of Federal Procurement Policy Act to provide authority to test innovative procurement methods and procedures; to the Committee on Government Operations.

1886. A letter from the Acting Director, Office of Management and Budget, transmitting a draft of proposed legislation to amend the Federal Property and Administrative Services Act of 1949 to authorize multiyear contracts in certain cases; to the Committee on Government Operations.

1887. A letter from the Assistant Administrator for Administration and Resources Management, Environmental Protection Agency, transmitting notice of the deletion of a records system, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1888. A letter from the Assistant Secretary for Administration, Smithsonian Institution, transmitting the annual pension reports for the Smithsonian Institute and the Woodrow Wilson International Center for Scholars; to the Committee on Government Operations.

1889. A letter from the Chief, Army and Air Force Exchange Service, Departments of the Army and the Air Force, transmitting the report of the Army and Air Force Exchange Service on the financial condition of its pension plans for the year ended December 31, 1984, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1890. A letter from the Director, Federal Emergency Management Agency, transmitting a report on the implementation of a records system, pursuant to U.S.C. 552a(o); to the Committee on Government Operations.

1891. A letter from the Director, Office of Financial Management, General Accounting Office, transmitting the annual report of the Comptrollers General Retirement System, pursuant to 31 U.S.C. 9503(a)(1)(B); to the Committee on Government Operations.

1892. A letter from the Secretary of Agriculture, transmitting a notice of tow computer matching programs relating to unemployment compensation, pursuant to 5 U.S.C. 552a(o); to the Committee on Government Operations.

1893. A letter from the Clerk of the U.S. House of Representatives, transmitting a quarterly report on the expenditure of appropriated funds, pursuant to 2 U.S.C. 104a (H. Doc. No. 99-102); to the Committee on House Administration and ordered to be printed.

1894. A letter from the Secretary of Energy, transmitting a report on the Colorado River Storage Project power resources and the financial support of authorized projects in the Upper Colorado River Basin States, pursuant to Public Law 98-381, section 108 (98 Stat. 1340); to the Committee on Interior and Insular Affairs.

1895. A letter from the Acting Deputy Assistant Secretary for Indian Affairs, Bureau of Indian Affairs, Department of the Interior, transmitting a proposed plan for the use and distribution of the funds for the Cherokee Nation of Oklahoma in Docket 262-831, pursuant to Public Law 93-134, sections 2(a) and 4; to the Committee on Interior and Insular Affairs.

1896. A letter from the Chair and Commissioner, Commission on Federal Laws (Northern Mariana Islands), transmitting the second interim report of the Northern Mariana Islands Commission on Federal Laws, pursuant to 90 Stat. 268 (sec. 504 of Covenant); to the Committee on Interior and Insular Affairs.

1897. A letter from the Deputy Associate Director for Royalty Management Operations, Department of the Interior, transmitting proposed refunds of excess royalty payments in OCS areas, pursuant to the act of August 7, 1953, chapter 345, section 10(b); to the Committee on Interior and Insular Affairs.

1898. A letter from the Deputy Associate Director for Royalty Management Operations, Department of the Interior, transmitting notification of proposed refunds of excess royalty payments in OCS areas, pursuant to the act of August 7, 1953, chapter 345, section 10(b); to the Committee on Interior and Insular Affairs.

1899. A letter from the Commissioner, Immigration and Naturalization Service, transmitting a copy of the order granting defector status in the case of Alan John Lightfoot, pursuant to INA, section 212(a)(28)(1)(ii)(b) (66 Stat. 182); to the Committee on the Judiciary.

1900. A letter from the Commissioner of Examinations, Immigration and Naturalization Service, transmitting the order granting defector status in the case of Margaret Beatrice Thomson Alexiou, pursuant to INA, section 212(a)(28)(1)(ii)(b) (66 Stat. 182); to the Committee on the Judiciary.

1901. A letter from the Acting Executive Director, National Advisory Committee on Oceans and Atmosphere, Department of Commerce, transmitting the annual report of the National Advisory Committee on Oceans and Atmosphere, pursuant to Public Law 95-63, section 4(b); to the Committee on Merchant Marine and Fisheries.

1902. A letter from the Secretary of Commerce, transmitting the second biennial report regarding bluefin tuna for the period covering 1983 and 1984, pursuant to Public Law 96-339, section 3; to the Committee on Merchant Marine and Fisheries.

1903. A letter from the Vice Chairman, Federal Martime Commission, transmitting a draft of proposed legislation to revise, consolidate, codify, and enact without substantive change certain general and permanent laws, related to the regulation of waterborne commerce by the Federal Maritime Commission, as chapter 5 of subtitle IV, of title 46, United States Code, "Shipping," pursuant to Public Law 98-89, section 2(j); to the Committee on Merchant Marine and Fisheries.

1904. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend section 1103(a) of title 5, United States Code, which enumerates functions of the Director of the Office of Personnel Management; to the Committee on Post Office and Civil Service.

1905. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to restructure the Federal Employees Health Benefits Program to strengthen financial control over the program and enhance competition among participating health plans, and for other purposes; to the Committee on Post Office and Civil Service.

1906. A letter from the Acting Director, Office of Management and Budget, transmitting a Soil Conservation Service plan for the West Fork and Big Creek Watershed, Missouri and Iowa, pursuant to 16 U.S.C. 1005; to the Committee on Public Works and Transportation.

1907. A letter from the Director, Office of Management and Budget, transmitting the Soil Conservation Service plan for English Coulee Watershed, North Dakota, pursuant to 16 U.S.C. 1005; to the Committee on Public Works and Transportation.

1908. A letter from the Secretary of Commerce, transmitting the annual report on the activities of the Economic Development Administration, pursuant to Public Law 89-436, section 707, section 204(b)(2) (90 Stat. 2333; 94 Stat. 2241), and section 904(b) (88 Stat. 1165; 94 Stat. 2241); to the Committee on Public Works and Transportation.

1909. A letter from the Secretary of Transportation, transmitting the National Plan of Integrated Airport Systems, 1984-93, pursuant to Public Law 97-248, section 504(b)(1); to the Committee on Public Works and Transportation.

1910. A letter from the Administrator, Environmental Protection Agency, transmitting the National Quality Inventory Report for 1984, pursuant to FWPCA, section 305(b)(2) (86 Stat. 854; 91 Stat. 1589); to the Committee on Public Works and Transportation.

1911. A letter from the Executive Secretary, Department of Defense, transmitting a report on Department of Defense procurement from small business firms from October 1984 through May 1985, pursuant to 15

U.S.C. 639(d); to the Committee on Small Business.

1912. A letter from the Secretary of Health and Human Services, transmitting the ninth annual report on the Child Support Enforcement Program, pursuant to SSA, section 452(a)(10) (88 Stat. 2352; 91 Stat. 163; 95 Stat. 861); to the Committee on Ways and Means.

1913. A letter from the Secretary of Labor, transmitting a report on the impact of the Caribbean Basin Economic Recovery Act on U.S. labor, pursuant to 19 U.S.C. 2705 (Public Law 98-67 section 216); to the Committee on Ways and Means.

1914. A letter from the Assistant Secretary, Legislative and Intergovernmental Affairs, Department of State, transmitting an aide memoire from the Commission of the European Communities expressing concerns about the Comprehensive Environmental Response, Compensation and Liability Act; to the Committee on Ways and Means.

1915. A letter from the General Council of the Treasury, transmitting a draft of proposed legislation to amend title 26 of the United States Code relating to the collection of the special (occupational) tax from retail dealers in distilled spirits, wines, and beer; to the Committee on Ways and Means.

1916. A letter from the General Counsel of the Treasury, transmitting a draft of proposed legislation to amend the Internal Revenue Code of 1954 to provide for the collection of fees for certain services; to the Committee on Ways and Means.

1917. A letter from the Deputy Secretary of Defense, transmitting certification that testing of explosive or inert antisatellite warheads against objects in space is necessary to the national interest and that the United States is endeavoring to negotiate with the Soviet Union a mutual and verifiable ban on antisatellite weapons, pursuant to Public Law 98-94, section 1235 (97 Stat. 695) Public Law 98-525, section 205 (98 Stat. 2509); jointly, to the Committees on Armed Services and Foreign Affairs.

1918. A letter from the General Counsel, Department of Defense, transmitting a draft of proposed legislation to amend chapter 138 of title 10, United States Code, to authorize the Secretary of Defense to enter into certain agreements to further the readiness of the military forces of the United States and other North Atlantic Treaty Organization countries and the Republic of Korea; jointly, to the Committees on Armed Services and Foreign Affairs.

1919. A letter from the General Counsel of the Treasury, transmitting a draft of proposed legislation to authorize the Secretary of the Treasury to issue regulations to require that wages and salaries of Federal employees be paid by electronic funds transfer or any other method determined by the Secretary to be in the interest of economy or effectiveness, with sufficient safeguards over the control of, and accounting for, public funds; jointly, to the Committees on Banking, Finance and Urban Affairs and Post Office and Civil Service.

1920. A letter from the Acting Chairman, Nuclear Regulatory Commission, transmitting the report of the nondisclosure of safeguards information, pursuant to AEA, section 147e. (94 Stat. 788); jointly, to the Committees on Energy and Commerce and Interior and Insular Affairs.

1921. A letter from the Comptroller General of the United States, transmitting a report entitled: "The Role of Marketing Orders in Establishing and Maintaining Orderly Marketing Conditions" (GAO/RCED-85-57, July 31, 1985); jointly, to the Committees on Government Operations and Agriculture.

1922. A letter from the Comptroller General of the United States, transmitting a report entitled "Effects and Administration of the 1984 Milk Diversion Program" (GAO/RCED-85-126, July 29, 1985); jointly, to the Committees on Government Operations and Agriculture.

1923. A letter from the Comptroller General of the United States, transmitting a report entitled, "Federal Price Support For Honey Should Be Phased Out" (GAO/RCED-85-107); jointly, to the Committees on Government Operations and Agriculture.

1924. A letter from the Chairman, Nuclear Regulatory Commission, transmitting a report on abnormal occurrences at or associated with any facility licensed or regulated under the Atomic Energy Act of 1954 or the Energy Reorganization Act of 1974 for the first calendar quarter of 1985, pursuant to Public Law 93-438, section 208; jointly, to the Committees on Interior and Insular Affairs and Energy and Commerce.

1925. A letter from the Acting Assistant Attorney General Office of Legislative and Intergovernmental Affairs, U.S. Department of Justice, transmitting the views of the Department of Justice on H.R. 1957, a bill to amend title I of the Marine Protection, Research and Sanctuaries Act of 1972; jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

1926. A letter from the Assistant Secretary of State for Legislative and Intergovernmental Affairs, transmitting a letter setting forth the views of the State Department on the Ocean Dumping Amendments Act of 1985 (H.R. 1957); jointly, to the Committees on Merchant Marine and Fisheries and Public Works and Transportation.

1927. A letter from the Secretary of Commerce, transmitting a draft of proposed legislation to amend section 8 of the Eastern Pacific Tuna Licensing Act of 1984; jointly, to the Committees on Merchant Marine and Fisheries and the Judiciary.

1928. A letter from the Secretary of Health and Human Services, transmitting a report on the operation of utilization and quality control peer review organizations, pursuant to SSA section 1161 (96 Stat. 392); jointly, to the Committees on Ways and Means and Energy and Commerce.

1929. A letter from the Secretary of Energy, transmitting a report on biomass energy and alcohol fuels programs for the period of April 1 through June 30, 1985, pursuant to Public Law 96-294, section 218(a); jointly, to the Committees on Agriculture, Energy and Commerce, and Science and Technology.

JOINT RESOLUTION ON DEBT LIMIT PASSED UNDER RULE XLIX

Under clause 1 of rule XLIX, the following joint resolution was engrossed and deemed passed on August 1, 1985.

H.J. Res. 372. Joint resolution increasing the statutory limit on the public debt.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. ST GERMAIN: Committee on Banking, Finance and Urban Affairs. Supplemental report on H.R. 1 (Rept. 99-230, Pt. 2). Order to be printed.

Mr. GARCIA: Committee on Post Office and Civil Service. H.R. 2722. A bill to amend title 13, United States Code, to eliminate the requirement relating to decennial censuses of drainage (Rept. 99-254). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 3065. A bill to amend the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to authorize a program of research, development and demonstration for innovative or experimental treatment technologies for use in remedial actions; with amendments (Rept. 99-255, Pt. 1). Ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BIAGGI:

H.R. 3229. A bill to amend title 23, United States Code, to extend until December 31, 1985, the deadline for withdrawal of approval of the Westway project in New York and for approval of highway and transit projects substituted for such project; to the Committee on Public Works and Transportation.

By Mr. DAUB:

H.R. 3230. A bill to amend the Fair Labor Standards Act of 1938 to exempt from the overtime requirements of that act employees of State and local public agencies and to clarify the application of that act to volunteers; to the Committee on Education and Labor.

By Mr. EVANS of Iowa (for himself, Mr. GUNDERSON, Mr. ROBERTS, Mr. EMERSON, Mr. MADIGAN, Mr. MORRISON of Washington, and Mr. SCHUETTE):

H.R. 3231. A bill to amend the Farm Credit Act of 1971 to provide for U.S. Government guarantees for certain obligations of the Farm Credit System; to the Committee on Agriculture.

By Mr. GARCIA (for himself, Mr. KEMP, Mr. SCHULZE, Mr. FRANKLIN, Mr. MOORE, Mr. HOPKINS, Mr. DE LA GARZA, Mr. LUNGREN, AND Mr. ROWLAND of Connecticut):

H.R. 3232. A bill entitled the "Enterprise Zone Jobs Creation Act"; jointly, to the Committees on Ways and Means; the Judiciary; and Banking, Finance and Urban Affairs.

By Mr. HOWARD:

H.R. 3233. A bill to amend section 103(e)(4) of title 23, United States Code, to extend the deadline for withdrawal of approval of the Westway project in New York and for approval of highway and transit projects substituted for such project until December 30, 1985; to the Committee on Public Works and Transportation.

By Mr. KASTENMEIER:

H.R. 3234. A bill to permit the deferral of repayment of Federal insured, guaranteed, and direct student loans for not more than 6 months of maternity leave; to the Committee on Education and Labor.

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By Mr. LOTT (for himself and Mr. WALKER):

H.R. 3235. A bill to authorize the Administrator of the National Aeronautics and Space Administration to accept title to the Mississippi Technology Transfer Center to be constructed by the State of Mississippi at the National Space Technologies Laboratories in Hancock County, MS; to the Committee on Science and Technology.

By Mr. SCHUMER:

H.R. 3236. A bill to amend the Immigration and Nationality Act to provide for the temporary admission to the United States of the operators of motor common carriers of passengers; to the Committee on the Judiciary.

By Mrs. SMITH of Nebraska:

H.R. 3237. A bill to amend the Fair Labor Standards Act of 1938 to exempt from the overtime requirements of that act employees of State and local public agencies and to clarify the application of that act to volunteers; to the Committee on Education and Labor.

By Mr. DANIEL (for himself, Mr. BATEMAN, Mr. WHITEHURST, Mr. BLILEY, Mr. SISISKY, Mr. OLIN, Mr. SLAUGHTER, Mr. PARRIS, Mr. BOUCHER, and Mr. WOLF):

H.J. Res. 373. Joint resolution designating Patrick Henry's last home and burial place, known as Red Hill, in the Commonwealth of Virginia, as a National Memorial to Patrick Henry; to the Committee on Interior and Insular Affairs.

By Mr. NEAL:

H.J. Res. 374. Joint resolution to express the sense of the Congress that the President should immediately resume negotiations with the Soviet Union and Great Britain on a comprehensive treaty to end the testing of nuclear weapons, including a mutual and verifiable ban on the testing of antisatellite (ASAT) weapons, and that the President should seek to include in the negotiations all other nuclear and nonnuclear weapons nations; to the Committee on Foreign Affairs.

By Mr. HALL of Ohio:

H. Con. Res. 183. Concurrent resolution expressing the sense of the Congress that food producers who permit gleaning of their fields and nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commented for their efforts, and for other purposes; to the Committee on Agriculture.

By Mr. HEFTEL of Hawaii (for himself and Mr. FRENZEL):

H. Res. 259. Resolution to request that the President establish a bipartisan commission on the budget deficit; to the Committee on Government Operations.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

234. By the SPEAKER: Memorial of the Senate of the State of Louisiana, relative to the control and eradication of imported fire ants; to the Committee on Agriculture.

235. Also, memorial of the Legislature of Guam, relative to appropriations for education; to the Committee on Education and Labor.

236. Also, memorial of the Legislature of Guam, relative to education; to the Committee on Interior and Insular Affairs.

237. Also, memorial of the Legislature of the State of Oklahoma, relative to the National Wild and Scenic Rivers System; to the Committee on Interior and Insular Affairs.

238. Also, memorial of the Legislature of the State of Oklahoma, relative to compensation of U.S. Senators, and Representatives; to the Committee on the Judiciary.

239. Also, memorial of the Legislature of the State of California, relative to Federal estate tax treatment of agricultural land; to the Committee on Ways and Means.

240. Also, memorial of the Legislature of the State of Oklahoma, relative to import fees on foreign oil and refined petroleum products; to the Committee on Ways and Means.

241. Also, memorial of the House of Representatives of the State of Oklahoma, relative to enactment of an import fee on foreign oil; to the Committee on Ways and Means.

242. Also, memorial of the Legislature of the State of Colorado, relative to the AFDC-U Program; to the Committee on Ways and Means.

243. Also, memorial of the Legislature of Guam, relative to the SSI Program; to the Committee on Ways and Means.

244. Also, memorial of the Senate of the State of Louisiana, relative to ocean incineration of hazardous waste; jointly, to the Committees on Merchant Marine and Fisheries and Science and Technology.

245. Also, memorial of the Fourth Congress of the Federated States of the Marshall Islands, relative to the Compact of Free Association; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, and Ways and Means.

246. Also, memorial of the Legislature of the State of California, relative to health care; jointly, to the Committees on Ways and Means, Energy and Commerce, Education and Labor, and Veterans' Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. GINGRICH:

H.R. 3238. A bill for the relief of Jaclyn Hart; to the Committee on the Judiciary.

By Mr. GONZALEZ:

H.R. 3239. A bill to waive certain time limitations with respect to awarding the Medal of Honor to Rudolph Salais Vela; to the Committee on Armed Services.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 2: Mr. DURBIN and Mr. DASCHLE.

H.R. 6: Mr. GALLO.

H.R. 161: Mr. ROYBAL and Mr. RINALDO.

H.R. 235: Mr. DE LA GARZA, Mr. LELAND, Mr. FAUNTROY, Mr. PEPPER, Mr. FROST, Mr. BIAGGI, Mrs. BURTON of California, and Mr. WEISS.

H.R. 237: Mrs. MARTIN of Illinois.

H.R. 287: Mr. EMERSON.

H.R. 362: Mr. HAYES, Mr. RODINO, Mr. DELLUMS, Mr. ROE, Mrs. COLLINS, Mr. SAVAGE, Mr. LELAND, Mr. GUNDERSON, Mr. TORRES, Mrs. BOXER, Mr. CHANDLER, Mr. PANETTA, Mr. KLECZKA, Mr. NEAL, Mr. KOLBE, Mr. SUNIA, Mr. DURBIN, Mr. DASCHLE, and Mr. SENSENBRENNER.

H.R. 580: Mr. WILSON, Mr. BONIOR of Michigan, and Mr. CARR.

H.R. 604: Mr. CHANDLER and Mr. SUNIA.

H.R. 816: Mr. BURTON of Indiana and Mr. GINGRICH.

H.R. 831: Mr. BRYANT and Mr. BATES.

H.R. 864: Mr. MCEWEN, Mr. SPRATT, Mr. KANJORSKI, Mr. BRYANT, Mr. DEWINE, Mr. DE LA GARZA, Mr. ORTIZ, Mr. GUNDERSON, Mr. JACOBS, and Mr. VALENTINE.

H.R. 947: Mrs. BOXER.

H.R. 979: Mr. FAZIO, Mr. TAUKE, Mr. BATEMAN, and Mr. DARDEN.

H.R. 1021: Mr. GARCIA and Mr. DIOGUARDI.

H.R. 1031: Mr. MATSUI.

H.R. 1032: Mr. MATSUI.

H.R. 1059: Mr. DORNAN of California, Mr. BARNARD, Mr. DORGAN of North Dakota, Mr. MICHEL, Mr. VALENTINE, Mr. HAMILTON, Mr. SAVAGE, and Mr. DOWDY of Mississippi.

H.R. 1068: Mr. WEISS, Mr. MITCHELL, and Mr. WAXMAN.

H.R. 1138: Mr. ECKART of Ohio and Mr. CRANE.

H.R. 1145: Mr. RAHALL and Mr. RICHARDSON.

H.R. 1207: Mr. AKAKA, Mr. ALEXANDER, Mrs. BOGGS, Mr. BONER of Tennessee, Mr. BONKER, Mr. HAMILTON, Mr. MICA, Mr. MURTHA, Mr. OBEY, Mr. SOLARZ, Mr. STOKES, Mr. YATRON, and Mr. MCCLOSKEY.

H.R. 1219: Mr. CHAPPIE.

H.R. 1294: Mr. MATSUI, Mr. SAVAGE, Mr. EDGAR, Mr. WISE, and Mr. SUNIA.

H.R. 1316: Mr. DICKS.

H.R. 1523: Mr. FEIGHAN, Mr. GONZALEZ, Mr. MANTON, Mr. TORRICELLI, Mr. GEJDENSON, Mr. CARPER, Mr. CRANE, Mr. FLORIO, and Mr. FROST.

H.R. 1524: Mr. LEACH of Iowa, Mr. VISCLOSKY, Mr. GALLO, Mr. DURBIN, Mr. LEVIN of Michigan, Mr. LIGHTFOOT, Mr. BROOKS, and Mr. GRAY of Illinois.

H.R. 1563: Mr. HENRY.

H.R. 1607: Mr. MATSUI.

H.R. 1616: Mr. BEILENSON, Mr. LOWRY of Washington, Mrs. KENNELLY, Mr. LAFALCE, and Ms. MIKULSKI.

H.R. 1627: Mr. HOPKINS and Mr. HUBBARD.

H.R. 1666: Mr. MOORE, Mr. APPLEGATE, Mr. JEFFORDS, and Ms. SNOWE.

H.R. 1715: Mr. HOWARD, Mr. BENNETT, and Mr. BILIRAKIS.

H.R. 1809: Mr. TORRES, Mr. CARPER, Mr. ATKINS, and Mr. ROSE.

H.R. 1853: Mr. FLIPPO.

H.R. 1856: Mrs. BOGGS, Mr. GONZALEZ, Mr. ROE, Mr. WAXMAN, Mr. MANTON, Mr. SOLARZ, Mr. MATSUI, Mr. MOLLOHAN, Mr. FOLEY, Mr. RANGEL, Mr. VENTO, Mr. OWENS, Mr. FAUNTROY, Mr. OBERSTAR, Mr. TOWNS, Mr. BONKER, and Mr. CROCKETT.

H.R. 1875: Mr. DYSON, Mr. BIAGGI, Mr. HOYER, Mr. ROE, Mr. FAUNTROY, Mr. COELHO, Mr. GINGRICH, Mr. WISE, Mr. DANIEL, Mr. DE LA GARZA, Mr. FISH, and Mr. ARMEY.

H.R. 1892: Mr. DYMALLY, Mr. PERKINS, Mr. SHELBY, Mrs. COLLINS, Mr. HERTEL of Michigan, Mr. MURPHY, and Mr. LEVIN of Michigan.

H.R. 1908: Mr. DELAY.

H.R. 1914: Mr. GRAY of Illinois, Mr. DASCHLE, Ms. KAPTUR, Mr. EVANS of Illinois, Mr. MITCHELL, Mr. WILSON, Mr. CROCKETT, Mr. CONYERS, Mr. WEAVER, and Mr. MOODY.

H.R. 1927: Mr. OBERSTAR.

H.R. 1973: Mr. COLEMAN of Missouri, Mr. DWYER of New Jersey, Mr. NICHOLS, Mr. EDGAR, Mr. SHUSTER, Mr. KOLTER, Mr. PERKINS, Mr. TRAFICANT, and Mr. HENRY.

H.R. 2001: Mr. WILLIAMS, Mr. FLORIO, Mr. BORSKI, Mr. SAVAGE, and Mr. HOWARD.

H.R. 2020: Mr. FISH and Mr. CROCKETT.

H.R. 2058: Mr. COELHO and Mrs. COLLINS.

H.R. 2116: Mr. TOWNS, Mr. SUNIA, and Mr. TAUKE.

H.R. 2119: Mr. EDGAR.

H.R. 2164: Mr. MITCHELL, Mr. WEAVER, Mr. LAGOMARSINO, Mrs. BOXER, Mr. SMITH of New Jersey, Mr. GLICKMAN, and Ms. OAKAR.

H.R. 2235: Mrs. BURTON of California, Mr. SAVAGE, Mrs. SCHROEDER, and Mr. MATSUI.

H.R. 2303: Ms. SNOWE.

H.R. 2422: Mr. HALL of Texas and Mr. MATSUI.

H.R. 2440: Mr. ASPIN, Mr. BADHAM, Mr. BATEMAN, Mrs. BYRON, Mr. CARR, Mr. CHAPPIE, Mr. DARDEN, Mr. FOWLER, Mr. GONZALEZ, Mr. GRADISON, Mr. HENDON, Mr. HORTON, Mr. HUNTER, Mr. HUTTO, Mr. JENKINS, Mr. LAGOMARSINO, Mr. MATSUI, Mr. MONTGOMERY, Mr. NICHOLS, Mr. ROE, Mr. ROSE, Mr. THOMAS of California, Mr. WEBER, and Mr. WORTLEY.

H.R. 2472: Mr. SAVAGE.

H.R. 2502: Mr. OXLEY.

H.R. 2504: Mrs. COLLINS.

H.R. 2578: Mr. BATEMAN, Mr. BONER of Tennessee, Mr. CHANDLER, Mr. CRANE, Mr. EMERSON, Mr. FRENZEL, Mr. MATSUI, Mr. TOWNS, and Mr. WOLF.

H.R. 2644: Mr. MOODY.

H.R. 2685: Mr. SMITH of Florida, Mrs. BURTON of California, Mr. WEISS, and Mr. HOWARD.

H.R. 2695: Mrs. BURTON of California, Mr. OBERSTAR, and Mr. STOKES.

H.R. 2696: Mrs. BURTON of California, and Mr. OBERSTAR.

H.R. 2700: Mr. RANGEL, Mr. BERMAN, Mr. SEIBERLING, and Mr. SAVAGE.

H.R. 2701: Mr. ROE, Mrs. BOXER, and Mr. SAVAGE.

H.R. 2768: Mr. BORSKI.

H.R. 2781: Mr. DASCHLE, Mr. HILER, and Mr. DYSON.

H.R. 2814: Mr. ARMEY, and Ms. MIKULSKI.

H.R. 2854: Ms. MIKULSKI, Mr. TAYLOR, Mr. BURTON of Indiana, Mr. ACKERMAN, Mr. SAVAGE, Mr. GARCIA, Mr. HORTON, and Mr. GILMAN.

H.R. 2866: Mr. GINGRICH, Mr. FRENZEL, and Mr. FUQUA.

H.R. 2902: Mr. ATKINS, Mr. BERMAN, Mrs. BURTON of California, Mr. CONYERS, Mr. CROCKETT, Mr. FAZIO, Mr. HALL of Ohio, Mr. HAWKINS, Mr. HORTON, Mr. HUGHES, Mr. JEFFORDS, Mr. MARTINEZ, Mr. MITCHELL, Mr. MRAZEK, Mr. RAHALL, Mr. ROE, Mr. SAVAGE, Mr. SMITH of Florida, Ms. SNOWE, Mr. STANGELAND, Mr. SUNIA, Mr. TOWNS, and Mr. WOLPE.

H.R. 2971: Mr. CLINGER, Mr. WALGREN, and Mr. DIOGUARDI.

H.R. 3006: Mr. TORRES, Mr. DASCHLE, Mr. FISH, Mr. LAFALCE, Mr. BEDELL, Mr. KOSTMAYER, Mr. HATCHER, Mr. JEFFORDS, Mr. STALLINGS, Mr. BEVILL, and Mr. DYSON.

H.R. 3032: Mr. AUCOIN and Mr. BATES.

H.R. 3040: Mr. MARTINEZ, Mr. YATRON, Mr. MRAZEK, Mr. FAZIO, Mr. HAWKINS, Mr. DASCHLE, Mr. FUSTER, Mr. MITCHELL, Mr. SAVAGE, and Mr. ST GERMAIN.

H.R. 3078: Mr. OWENS, Mr. CONYERS, and Mr. HANSEN.

H.R. 3090: Mr. HAWKINS, Mr. CLAY, Mr. FORD of Michigan, Mr. ATKINS, Mr. DONNELLY, Mr. KILDEE, Mr. MARTINEZ, Mr. LOWRY of Washington, Mrs. COLLINS, and Mr. RANGEL.

H.R. 3109: Mr. COBEY, Mr. DORNAN of California, Mr. SMITH of New Jersey, Mrs. BENTLEY, Mr. DANIEL, Mr. BRYANT, Mr. EDWARDS of Oklahoma, and Mr. MONSON.

H.R 3121: Mr. ROE, Mr. KLECZKA, Mr. TOWNS, Mr. SABO, Mr. SKELTON, Mr. MRAZEK, Mr. WOLPE, Mrs. BOXER, Mr. SAVAGE, and Mr. BIAGGI.

H.R. 3173: Mr. TAUKE, Mr. STENHOLM, Mr. MICHEL, Mr. STALLINGS, Mr. LAGOMARSINO, Mr. BATEMAN, Mr. KINDNESS, Mrs. HOLT, Mr. OXLEY, Mr. BARNARD, Mr. SILJANDER, and Mr. PETRI.

H.R. 3174: Mrs. BENTLEY, Mr. BIAGGI, Mr. FASCELL, Mr. FROST, Mr. HOWARD, Mr. HUNTER, Ms. KAPTUR, Mr. SAVAGE, Mr. SUNIA, and Mr. WOLPE.

H.R. 3202: Mr. COBEY, Mr. MINETA, Mr. ROE, Mrs. JOHNSON, Mr. LELAND, Mr. ECKART of Ohio, Mr. HOWARD, Mr. ROWLAND of Georgia, Mr. ACKERMAN, Mr. TORRICELLI, Mr. SAXTON, Mr. FUSTER, Mr. EDWARDS of California, Ms. KAPTUR, Mr. BEVILL, Mr. THOMAS of Georgia, Mr. ROSE, Mrs. BURTON of California, Mr. YATES, Mr. FAWELL, AND MR. BIAGGI.

H.J. Res. 12: Mr. DELAY, Mr. WILSON, Mr. DORNAN of California, Mr. ARMEY, Mr. SMITH of New Hampshire, Mrs. VUCANOVICH, Mr. COBLE, Mr. LIGHTFOOT, and Mr. CRAIG.

H.J. Res. 27: Mr. BARTON of Texas.

H.J. Res. 127: Mr. SMITH of Florida.

H.J. Res. 151: Mr. EDGAR, Mr. CARPER, Mr. ROBERT F. SMITH, Mr. GORDON, Mr. DENNY SMITH, Mrs. VUCANOVICH, Mr. MCDADE, and Mr. WYLIE.

H.J. Res. 154: Mr. WHITTAKER, Mr. BRUCE, Mr. WOLF, Mr. FUQUA, Mr. VENTO, Mr. COLEMAN of Missouri, Mr. BILIRAKIS, Mr. PORTER, Mrs. KENNELLY, Mr. RALPH M. HALL, and Mr. PURSELL.

H.J. Res. 175: Mr. SUNIA, Mr. HAWKINS, Mr. LOWERY of California, Mrs. MEYERS of Kansas, Mr. LEHMAN of Florida, Mr. HERTEL of Michigan, Mr. WORTLEY, Mr. LUKEN, Mr. SWINDALL, Mr. NELSON of Florida, and Mr. FOGLIETTA.

H.J. Res. 178: Mr. HAMMERSCHMIDT, Mr. FLIPPO, Mr. BEREUTER, Mr. HUTTO, Mr. BONIOR of Michigan, Mr. BATEMAN, Mr. KASTENMEIER, Mr. KOSTMAYER, Mr. PANETTA, Mr. KILDEE, Mr. BIAGGI, Mr. JONES of Tennessee, Mr. SAXTON, Mr. RODINO, Mr. HANSEN, Mr. ANNUNZIO, Mr. LUNDINE, Mr. TAUZIN, Mr. BEDELL, Mr. ROBINSON, Mr. PRICE, Mr. BEVILL, Mr. COATS, Mr. JONES of North Carolina, Mr. COUGHLIN, Mr. MATSUI, Mr. YATRON, Mr. ST GERMAIN, Mr. FOGLIETTA, Mr. OBEY, Mr. WOLPE, Mr. STUDDS, Mr. CHAPPELL, Mr. MCHUGH, Mrs. BOGGS, Mr. WHEAT, Mr. PURSELL, Mr. PORTER, and Mr. WOLF.

H.J. Res. 179: Mr. APPLEGATE, Mr. ASPIN, Mr. BENNETT, Mr. BOSCO, Mr. DYSON, Mr. EDGAR, Mr. ERDREICH, Mr. EVANS of Illinois, Mr. GALLO, Mr. GORDON, Mr. GRAY of Illinois, Mr. HILER, Mr. HORTON, Mr. KOLTER, Mr. LEWIS of California, Mr. MCKERNAN, Mr. MILLER of California, Mr. NELSON of Florida, Mr. OLIN, Mr. ROSTENKOWSKI, Mr. SHAW, Mr. SMITH of New Hampshire, Mr. ROBERT F. SMITH, Mr. SOLOMON, Mr. TAUKE, Mr. TAUZIN, Mr. WEBER, Mr. WORTLEY, and Mr. YATES.

H.J. Res. 223: Mr. FISH, Mr. FASCELL, Mr. SAVAGE, and Mr. GONZALEZ.

H.J. Res. 279: Mr. DICKINSON.

H.J. Res. 296: Mr. RIDGE, Mr. SISISKY, Mr. MOLINARI, Mr. FOWLER, Mr. CONTE, Mr. ROBINSON, Mr. ANTHONY, Mr. CALLAHAN, Mr. FRANKLIN, Mr. HARTNETT, Mr. HEFTEL of Hawaii, Mr. PERKINS, Mr. BLAZ, Mr. MOODY, Mr. ROBERT F. SMITH, Mr. LOEFFLER, Mr. BREAUX, Mr. BARTLETT, Mr. GARCIA, and Mr. FRANK.

H.J. Res. 297: Mr. DWYER of New Jersey, Mr. HAMMERSCHMIDT, Mr. BEVILL, Mr. ST GERMAIN, Mr. MURPHY, Mr. DE LA GARZA, Mr. HUGHES, Mr. DAUB, Mr. ROBINSON, Mr. FOLEY, Mr. MILLER of Washington, Mr. BARNARD, Mr. HARTNETT, Mr. HEFTEL of Hawaii, Mr. TALLON, Mr. WYLIE, Mr. TORRICELLI, Mr. LAGOMARSINO, Mr. LOWRY of Washington, Mr. FRENZEL, Mr. MOAKLEY, and Mr. RANGEL.

H.J. Res. 351: Mr. KRAMER, Mr. OXLEY, Mr. SMITH of Florida, Ms. MIKULSKI, Mr. GINGRICH, and Mr. ECKART of Ohio.

H.J. Res. 357: Mr. BARNES, Mr. BILIRAKIS, Mrs. BOXER, Mr. CONTE, Mr. COUGHLIN, Mr. COURTER, Mr. DELAY, Mr. ECKART of Ohio, Mr. ECKERT of New York, Mr. FAZIO, Mr. FAUNTROY, Mr. FROST, Mr. GILMAN, Mr. GREEN, Mr. LELAND, Mr. LEVINE of California, Mr. MCGRATH, Mr. MILLER of Washington, Mr. MITCHELL, Mr. SCHEUER, Mr. STUDDS, Mr. SYNAR, and Mr. WEISS.

H.J. Res. 363: Mr. LEVIN of Michigan, Ms. KAPTUR Mr. JEFFORDS, Mr. GREEN, Mr. FEIGHAN, Mr. SEIBERLING, Mr. MRAZEK, Mr. FISH, Mrs. BOXER, Mr. DORGAN of North Dakota, Mr. GUNDERSON, Mr. ACKERMAN, Mr. COUGHLIN, Mr. WORTLEY, Mr. BRYANT, Mr. LEVINE of California, Mr. SCHEUER, Mr. FROST, Mr. CONTE, Mr. ARCHER, and Mr. RANGEL.

H. Con. Res. 63: Mr. SMITH of Florida.

H. Con. Res. 69: Mr. STRANG, Mr. GILMAN, and Mr. SCHUETTE.

H. Con. Res. 74: Mr. WAXMAN.

H. Con. Res. 90: Mr. ADDABBO, Mr. DREIER of California, and Mr. SISISKY.

H. Res. 152: Mr. MATSUI.

H. Res. 194: Mr. AUCOIN and Mr. FISH.

H. Res. 202: Mr. FRANK, Mr. HUBBARD, and Mr. HORTON.

H. Res. 256: Mr. LELAND, Mr. RANGEL, Mr. SUNIA, M. MRAZEK, Mr. DONNELLY, Mr. SCHEUER, Mr. SAVAGE, Mr. HAWKINS, Mr. KILDEE, Mr. COLEMAN of Texas, and Mrs. BOXER.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 77: Mr. WHITEHURST.

H.R. 281: Mr. REID.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

186. By the SPEAKER: Petition of the city of Denton, TX, relative to the Fair Labor Standards Act; to the Committee on Education and Labor.

187. Also, petition of the city council, Jacksonville, FL, relative to the Fair Labor Standards Act; to the Committee on Education and Labor.

188. Also, petition of American Coalition of Citizens with Disabilities Inc., Washington, DC, relative to apartheid in South Africa; to the Committee on Foreign Affairs.

189, Also, petition of the city of Denton, TX, relative to revenue sharing; to the Committee on Government Operations.

190. Also, petition of the Central Southeast Ohio Association, United Church of Christ, Columbus, OH, relative to Central America; to the Committee on the Judiciary.

191. Also, petition of Glen H. Harris, Albany, NY, relative to lumber trade; to the Committee on Ways and Means.

192. Also, petition of the city of Arvada, CO, relative to Social Security; to the Committee on Ways and Means.

193. Also, petition of the Democrat Party of Thailand, Bangkok, Thailand, relative to textile and apparel trade; to the Committee on Ways and Means.

194. Also, petition of the Speaker of the House of Representatives, Bangkok, Thailand, relative to textiles; to the Committee on Ways and Means.

195. Also, petition of the Dutchess County Legislature, New York, relative to taxes; to the Committee on Ways and Means.

EXTENSIONS OF REMARKS

WHAT'S YOUR DEGREE WORTH? WHOM DO YOU OWE? THE COMMENCEMENT ADDRESS OF DR. GEORGE R. FIELD

HON. STEVE GUNDERSON
OF WISCONSIN
IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. GUNDERSON. Mr. Speaker, after 17 years of distinguished service as chancellor of the University of Wisconsin-River Falls, one of five University of Wisconsin campuses in my district, Dr. George R. Field is retiring.

On May 25, 1985, Dr. Field delivered his final commencement address as chancellor. I am pleased to include that address entitled "What's Your Degree Worth? Whom Do You Owe?" in the Record for the benefit of my colleagues and their constituents.

COMMENCEMENT ADDRESS SPRING, 1985

At this point in the program, I usually introduce our commencement speaker. But since this is my last year as Chancellor, the Public Relations Committee asked me to give the commencement address. I also heard by the grapevine that they knew it wouldn't cost the university a cent, so I get to introduce myself. I have been President or Chancellor of this University since 1968, 17 years. I have attended 32 out of 34 graduations during this time. I missed one due to illness and one to attend my son's graduation at the University of Colorado. But instead of telling you more about me, let me tell you about this University.

My talk may be more sentimental and emotional than "world wise" because this University means much to those of us who work here. My mother and father were graduated from the University of Wisconsin-River Falls in 1923. I had uncles who graduated before 1920. I have aunts and cousins who attended here. My three sons and two daughters have been at this university and my wife received her degree a few years back. Many faculty and staff can take the podium and say much the same thing. This place is more than a University to most of us, it's family. Now as a family, like all families, we have our good points and bad. We're not perfect but we try to be human. We work within a large system of higher education and we work for the State of Wisconsin. We are not an island to do what we want. We have system rules and state and federal regulations. But within this bureaucracy we try to be flexible and responsive. I've listened to 31 commencement addresses. It will be 32 if I listen to this one. Most were good, especially those at the fall graduation exercises when the faculty member who has been selected as the distinguished teacher gives the address. Most commencement speeches have a theme, a message and, of course, a charge to you as you leave. I will do that too.

WHAT'S YOUR DEGREE WORTH?

All research indicates that you will make more money than those who don't obtain a college degree. And I'm sure you know that the odds for your making more money and being more economically independent are in your favor. But I want to talk about more than just money. You might be interested to know that during this graduation season, starting a few weeks ago and ending mid-June, there will be approximately one million BA degrees conferred, 300,000 MAs and 35,000 PhDs throughout the United States. There will be 15,000 degrees conferred throughout the University of Wisconsin System, and we will confer approximately 550 at UW-River Falls. There will be at least 2,000 four-year public or private universities granting degrees during this period. Approximately 600 are public, state supported universities. Around 75 of these public state supported state universities are very well known. The balance are relatively unknown. A book was written in 1962 called "Colleges of the Forgotten America." We were the colleges of the forgotten America. Almost a quarter of a century later, since that book was written, we no longer are in that category, forgotten, but we are gaining prestige, distinction, and we do have academic quality.

An interesting question might be, "How does your degree stack up against the one million or, for those of you receiving the Masters Degree, the 300,000? Is the degree you're receiving as good as those from Harvard, the University of Michigan, the University of Wisconsin-Madison, the University of California-Berkeley, Stanford, etc.? Is it better or worse? My answer is that it may be worse for a year or two and then equal for a lifetime. Why worse? Many people look upon the prestigious as being better. Consciously or unconsciously employers will look at vitae, resumes, and say, "Oh, someone from Harvard—must be good." Comparing Harvard to the University of Wisconsin-River Falls, one might ask, "Where is the University of Wisconsin-River Falls?" Until you get that first job, you may have to be more patient and a better fighter to get your foot in the door. Initially, you may be at a disadvantage, but after that first job, everything is equal.

Now you will be compared to another individual, not to where he or she received a degree and where you received your degree. In five and certainly by ten years, no one will ask, "Where did you get your degree?" They will ask what kind of person you are, how you work, how you think, how you communicate and what you've accomplished so far in your particular assignment. Lee Iacocca, in his autobiography, made a statement that formal learning can teach you a great deal, but many of the essential skills in life are the ones you develop on your own. This university has given you the basics, the start. Now it's up to you.

Let me prove my point that your degree is as good as any in the United States by mentioning a few of our graduates. Look at the wall as you walk into the Student Center Ballroom. You will see pictures of men and women. These are our distinguished alumni. You will find doctors, lawyers, professors, vice chancellors, businessmen, an astronaut, researchers, distinguished politicians and, of course, today you've just met Verne Palmburg, Vice President of sales for a large agribusiness corporation and Neal Jorgensen, a distinguished professor at the University of Wisconsin-Madison. There have even been a couple of university presidents among our graduates but, somehow, they have not been selected as distinguished alumni. Our graduates have achieved success and recognition in all walks of life, just like those graduates from the East, the West and the South. Cardinal Newman once said, "No one was ever honored for what they received, honor has been a reward for what one gave." Those pictures on the wall are of men and women from this University who have given much to their profession and to the communities in which they live.

Let me give you some examples from institutions like the University of Wisconsin-River Falls—institutions that aren't in the upper elite, colleges of the forgotten America. In fact, institutions like us but with different names, perhaps some names you've never heard. Former President Lyndon Johnson was graduated from Southwest Texas State University; Julian Goodman, President of the National Broadcasting Company, Western Kentucky University; James A. Michener, author and Pulitzer prize winner, University of Northern Colorado; the honorable Val Peterson, former governor of Nebraska and former Ambassador to Denmark and Finland, Wayne State College in Nebraska; Marvin Stone, editor of U.S. News and World Report, Marshall University in West Virginia; Val Fitch, a physicist, winner of the 1980 Nobel Prize for Science, Chadron State College in Nebraska; Barbara Jordan, former congresswoman from Texas, holder of the LBJ Centennial Chair on National Policy at the University of Texas, is an alumna of Texas Southern University in Houston, a black college; Mike Mansfield, former Senator and U.S. Ambassador to Japan, Montana College of Mineral Science and Technology; Dan Rather, you've all heard of him, the CBS anchorman, from Sam Houston State University in Texas; Thurgood Marshall, Justice of the United States Supreme Court, from Lincoln University in Pennsylvania; Leontyne Price, the famous opera singer, from Central University in Ohio; and Robert Dole, United States Senator from Kansas, Washburn University in Topeka, Kansas. I mention these names to make my point, that the degree you are receiving today is as good as any degree conferred in the United States. You can go far with the basics that you've obtained during your time at this University. So the good news and my theme—you can be proud of the degree that you will receive today. The bad news or good news depending upon your perspective, is that now you have to prove it. It's not where you get your degree but what you do with it.

WHY WERE OUR KIND OF UNIVERSITIES ESTABLISHED?

Gunnar Myrdal, the Swedish Nobel prize winner in economics, stated that, "Education has in America's whole history been the major hope for improving the individual and society." This University was a Normal

School, a teachers' college, a state college, and now it's a University. We were established for the people, for those not able to go to Harvard or to travel far from home—for those, not affluent, who needed a chance to better themselves and to improve society. Many of our forefathers, especially Thomas Jefferson and Abraham Lincoln, believed that to have a strong democracy you need to educate the masses. So we're in existence to educate ordinary people. And all of the schools that I mentioned previously were established for the same reason. We're to give you, the individual, the opportunity to improve, to improve society, and to strengthen democracy. There is no question but that the hopes and dreams of the human race still lie in the power of educated men and women. State colleges and universities like UW-River Falls educate about one-quarter of all the people attending institutions of higher education in the United States and most of our clientele are from small towns (we are fortunate to have reciprocity and our friends from the Twin Cities enrolled at this University), not wealthy, who need a chance to improve their lot in life and to contribute to society. Back to our distinguished alumni for a moment—Neal Jorgensen is from Luck and LaVerne Palmberg is from Clayton. Those are small towns and there aren't many millionaires in Luck or Clayton—just ordinary, hard working Americans!

WHAT DO WE DO WITH OUR DEGREES?

You remember I said that we were established to improve the individual and to improve society. But often what we do with our degrees tends to emphasize only the first part of that purpose. We want to get a job and, of course, it is natural for us to start thinking about how we can have the better things in life—get rid of that klunker car and get a new one, buy our first house, plan for that vacation that might take us to Canada fishing. After we've achieved the basics we want to buy the bigger car, the VCR, the self focusing camera and the list goes on and on. We become consumers, credit card carriers and, of course, the new trend in the United States is that we strive to be Yuppies, those urban professionals that make money and spend money. Now I'm not knocking "improve thyself" but it becomes such a habit that we forget the other part—to improve society. As we strive to make more money, we tend to take on the attitude, let someone else do it. Our zealous pursuit of material comforts leaves us little time to get involved. But the question is "If you don't get involved, who will?" It's my feeling that you have and that I have and everyone in this audience has a moral obligation to think about the purpose—to improve society and strengthen democracy. "A cynic," said Oscar Wilde, "is a person who knows the price of everything and the value of nothing." All of us are at fault because most of us know the price of everything and we tend to forget other values. If we are to have a life that is fulfilled, we need to know more than price. We need to know the value of what's important.

WHOM DO YOU OWE?

George Peabody said, "Education is a debt owed from present to future generations." Yes, you owe your family, taxpayers, government and yourself, since many of you are taxpayers. You owe past generations who fought the battles to keep a University at River Falls, for the first residence hall, for a new Centennial Science building, a new Food Science addition and so on. We owe many. If, as I hand you your diploma today, I were to hand you a bill for the full cost of instruction of your education, I would hand you your diploma and a bill for $20,000 and that's a fairly conservative estimate. If I include the cost of depreciation of buildings, it would be $40,000 and that's certainly a rough guess. And if I add the cost of land, it would be $50,000. So you owe plenty. What should you do about this debt? Well, for the first few years, you better not complain about taxes. Then, after you take that first job and you save and struggle for economic security, and you become reasonably comfortable, it's time for you to take on the other jobs that we all shy away from—jobs with no glory and many headaches. For example, run for the school board or the police commission, volunteer to be on the park and recreation board or seek election to the city council or the county board. It's interesting to note that even in River Falls, most people say, "I hope they solve this problem". Very few of us are willing to take on the responsibilities of local government. Why? Very little glory and lots of grief and responsibility. It's kind of a no-win situation so we all fall into the habit of saying there's a problem and I hope they do something about it. We're always saying I hope they, they do something about it. To pay off your debt, it seems to me that you have to be part of the "they." Whether it's running for the school board, coaching Saturday morning soccer, being a part of the Big Brother program, helping out with senior citizens, anything to make your community a little better. Some of you may even want to be politicians and isn't that a tarnished profession? The only problem is, it's one of the most important jobs that needs to be done in this country. We need to have honest, hardworking, and dedicated people willing to sacrifice for our society. But if you don't take on these tasks, who will? I have often thought that we should all tithe our time. If all of us gave just ten per cent to politics, to community affairs, to children, to youth, to our high schools, to senior citizens, to our churches, or our synagogue, how much better this country would be.

The Kennedy family said, "We have so much more, we have to give more." Well, we're not the Kennedys but, as we live in this country with its freedoms and its wealth of goods and services, we must realize that we too have much more and that we need to give more. Only 12 per cent of Americans have college degrees. So, although ours is not an elitist institution, you are an elite and have an obligation to serve.

Dr. Charles Kao, professor of economics here, gave our commencement address about ten years ago. As a Chinese, he naturally had to quote Confucius. He said, "Confucius told us 2000 years ago, a hundred mile journey begins with a single step."

While you may not feel that you have asnwers to some of our major problems, you can take the first step by giving part of your time to service, to improve society and the lot of your fellow human beings.

Abe Lincoln said, "You cannot escape the responsibility of tomorrow by evading it today." If not you, who?

CONCLUSION

I mentioned I would have a theme, a message and a charge. My theme was that this is a good university—a very good university. You can be proud of having made this choice and of having been successful. My message is that we were established to benefit you and society. My charge is for you to serve. Don't be a Yuppie. Serve your community, give back some of your time and effort to activities where you live. Let me end by giving you a few quotes—quotes that I've heard over the years and that I cannot improve upon. Woodrow Wilson before he was President of the United States was President of Princeton University, and he said to students, "Don't forget as you walk these classic places, that you are here to enrich the world and you impoverish yourselves if you forget the errands." You too will have a less satisfying life if you forget the errand. Another one, Dr. Jonas Salk on the recent 30th anniversary of the development of polio vaccine, when asked what his greatest reward was, did not stress the elimination of the disease along with the misery and hurt that accompanies the disease. Rather, he quoted Ralph Waldo Emerson who said, "The greatest reward is the opportunity to do something more." You will short change yourself if you don't do something more. Beverly Sills, who retired from a highly successful career as an opera singer five years ago to become director of the New York City Opera, said, "Instead of expecting everything to come to you, there comes a moment when you have to give. I found that the gain is in giving. I think that is one of the greatest privileges, to be able to give."

I don't want to be morbid at a happy time like this but let me give you two other quotes. When Ernest Boyer, our visiting professor, was on campus last month he made a speech in which he said, "I think it is not sentimental to suggest that students should understand that the tragedy of life is not death, the tragedy is to die with commitments undefined and with convictions undeclared and with service unfulfilled." There is satisfaction in knowing what William James called the greatest use of one's life. To spend it for something that outlasts us. Woody Allen, of course, had another view. He said, "I don't want to be immortal through my works. I want to be immortal through not dying." One can be sympathetic with that goal, too. But those people that I mentioned earlier who are distinguished alumni and who are distinguished alumni from other universities like ours, have spent part of their lives doing work that will outlast them. So I urge you to remember our purpose. We're here to improve the individual and society. And you can have a fulfilled life in contributing a small portion of your time to serving others. We do have more; we need to give. I hope that you undertake tasks and seize opportunities and gain achievements that will outlast you.

I'm proud to confer upon you today the appropriate degree. It's been an honor for me to have been President and Chancellor for these 17 years and it is a special privilege that I will have today to shake your hand. I will end by saying, "Yes, you can make a difference and you will short-change yourself if you don't serve your community and neighbor." Thank you.

GEORGE R. FIELD,
Chancellor, UW-River Falls.

LET US TALK BEFORE WE LEAP

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. CRANE. Mr. Speaker, to preface my statement, let me say that I firmly believe

that the administration should be employing all the pressures that can be brought to bear to insure that the Japanese are abiding by the trading agreements to which they are party. I also support U.S. negotiations to gain greater and easier access to Japanese markets. On the other hand, punitive measures against the Japanese for reasons other than current trade law violations would not only be unjustified, but would also be unwise since it would almost assuredly invite retaliation. Based solely on the $37 billion trade deficit with Japan, one might conclude that sanctions against the Japanese would prove more harmful to them than to us. Nothing could be farther from the truth.

From an analytical standpoint, studies have repeatedly shown that protectionism is inevitably self-defeating. The studies reveal that protectionism invites retaliation, increases prices worldwide, inhibits growth and investment by heightening uncertainty, and prevents debtor countries from earning their way back to solvency. Further, there is little evidence that protected industries can or do use the breathing space provided to restructure. Thus, while domestic industries are hiding behind protectionism, foreign producers are increasing their competitive edge.

In addition to disrupting global trade through protectionism, many people either do not realize or discount the fact that Japan is second only to Canada as an overseas importer of American goods. Exports of U.S. manufactured goods to Japan have steadily increased since 1982, while our exports to the remainder of the world have stagnated. There has even been a 4-year surge of high-technology sales to Japan—including an export rise of 48 percent in computers, 38 percent in telecommunications gear, 51 percent in analytical instruments, 41 percent in pharmaceuticals, and 63 percent in electronic parts. Japan is also by far the largest importer of U.S food products, buying some $6 billion worth of American corn, soybeans, fruit, and beef last year. Finally, Japan's direct investment in the United States has more than doubled since 1980. By the end of 1983, this direct investment totaled $11.1 billion and accounted for 90,000 American jobs.

Before we take punitive steps against the Japanese, I think we have to review our own trading practices to determine if they are consistent with a free market philosophy. For example, in testimony before the Trade Subcommittee earlier this year, it came out that we have the highest import duties on trucks of any industrialized country in the world. In talking with a bakers association, they informed me that it costs them 22 cents a pound for imported sugar here in the United States, whereas their competitors in Canada pay only 5 to 6 cents per pound for the same sugar. The list of examples goes on and on. Thus, when talking about comparative advantage, it should be clear that the United States is not playing entirely by the free market rules either.

The U.S. trade deficit is much more likely a direct result of the U.S. recovery and the strong dollar overseas. A massive Federal deficit drives up interests rates and increases the value of the dollar, making our products less competitive and foreign goods much more attractive to American consumers. The dollar's real value in comparison to other currencies has risen more than 70 percent since 1980. And with American prices up 70 percent in comparison to our overseas competition, it's not surprising that our trade deficit has exploded. For this reason, it is the responsibility of the Congress to take immediate action to reduce the budget deficit and bring interest rates down. Only then will the high level of the dollar come down and the trade imbalance cease to exist.

The following article by James J. Kilpatrick points out the danger in overreacting to the current trade situation. As Mr. Kilpatrick suggests, before we take punitive steps against the Japanese, perhaps it would be in the best interest of the United States to carefully consider all the possible consequences. The article follows.

[From Nation's Business, May 1985]

LET US TALK BEFORE WE LEAP

(By James J. Kilpatrick)

On a Thursday afternoon late in March, the U.S. Senate did an unusual thing: It gave vent to honest emotion. On Capitol Hill, honest emotion is not unknown—it is like rain in Phoenix in May—but this display was something special. The Senate was genuinely angry. Before the afternoon ended, that anger exploded in an astonishing vote of 92-0 for a resolution denouncing Japan for its trade barriers and demanding that the President take "all appropriate and feasible action" to obtain the elimination of the objectionable practices.

Resolutions, to be sure, are toothless tigers; they have none of the bite of statutory law. Nevertheless, the Senate's resolution of March 28 is a portent of legislation yet to come. Congress has played bluffing games before with the Japanese, but unless I am sorely mistaken, this time the Hill means business.

Most controversial stories have at least two sides, and this story is no exception. This is the case for the prosecution:

In the 40 years since World War II ended, Japan has become an economic power second only to the United States. By some estimates, Japan's gross national product soon will exceed that of the Soviet Union. Relieved of the need to spend any significant sums on national defense, Japan has been free to devote its resources to domestic development.

Japan is a giant—but it is a tightfisted giant. It loves to export its own goods, but it erects almost insuperable barriers to imports. Some of these barriers are overt: Japan's tariff on imported beef amounts to 35 cents a pound, compared with our 2 cents a pound; Japan's tariff on oranges ranges from 8½ to 17 cents a pound, compared with our 1 cent a pound.

The most serious obstacles are more subtle. Japan's bureaucracy is even more infuriating than our own. An American exporter can expect nothing but delay, frustration, duplicative paper work, costly "inspections" and mysterious and varying interpretations of the thousands of regulations by which imports ostensibly are permitted but actually are discouraged.

These practices are not new. Japan's unwillingness to follow a Golden Rule as to automobiles led to the domestic content bill that passed the House back in November, 1983.

That bill was a bad bill; it would have reversed the feeble currents of free trade and swept us back toward protectionism, yet it roared to passage on a vote of 219-199. Then the bill went to the Senate, where Oregon's Bob Packwood bottled it up in committee. There the bill died.

It provides a measure of change in sentiment to note that Packwood, flushed with anger, was among the 19 senators who spoke in favor of the March resolution.

"I have reached the limits of my patience," he said. "As chairman of the Finance Committee, I am going to do everything I can to retaliate in kind to any of their products that come to this country."

Very well. To these charges the defense responds in this fashion:

The 1984 trade balance of $37 billion cannot be blamed entirely upon Japan's barriers to international trade. At least half of that sum is a consequence of the strong American dollar. The dollar would not be as strong against the yen if it were not for the inability of the U.S. government to get its own fiscal house in order. Japan has in fact been reducing both its official and its subtle obstacles to U.S. imports. The problem is that many American products are not of the high quality that Japanese consumers have grown to expect. American manufacturers have failed to market their products aggressively. How many American companies have sales directors who speak Japanese? Even with the best of products, it takes time to change purchasing patterns.

The Yanks, in brief, should practice patience and try harder.

The Reagan administration is a free trade administration. President Reagan demonstrated that conviction in his refusal to renew quotas on Japanese cars. The Japanese gave him no quid for that quo, but the President remains committed, to quote the Republican platform of 1984, "to a free and open international trading system." Reagan's patience, unlike the Senate's, is not quite yet exhausted.

The Hill's exploding animosity is understandable. The Japanese have indeed behaved selfishly, even arrogantly; their bland insouciance is insufferable. Yet we ought to remember Congreve's maxim that those who act in haste will repent at leisure. Debate on the Senate's March resolution consumed 63 minutes. Before we enact retaliatory laws, let us talk a little longer.

MEMORIES OF CAMP KAUFMAN

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DYSON. Mr. Speaker, I wish to call to the attention of my colleagues the end of a Calvert County, MD, institution: Camp Kaufman. Established in 1953 by Cecil and Joel Kaufman, the camp provided a generation of Washington area youngsters with a welcome respite from life in the big city.

Since shortly after its inception, Camp Kaufman had the good fortune of being run by the late Phil Cox and his wife, Sis.

Phil and Sis were truly devoted to their 9- to 14-year-old charges, blending just the right mix of compassion and discipline.

Earlier this month, Anne Groer, a proud alumnus of Camp Kaufman who is now a White House correspondent, wrote of her summer sojourns to this peaceful spot along the Chesapeake Bay. Anne artfully recalls pleasures as diverse as roaming the beach between Breezy Point and Scientists Cliff in search of sharks' teeth and mastering lanyardmaking in a trice.

With the closing of Camp Kaufman, there is of course a sense of sadness, but also fond memories for the dedicated group of former counselors and campers who gave special meaning to being a Kaufmannite. I believe I speak for many of my fellow Marylanders in offering these few words of praise to those who contributed to making Camp Kaufman a wellspring of growth and knowledge for so many.

QUESTIONS ON U.S. NICARAGUA POLICY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. WEISS. Mr. Speaker, as the debate continues on the expanding American role in the war against the Government and people of Nicaragua, I suggest that we consider some of its implications, as explored by the editors of the New Yorker in the issue of June 17, 1985.

[From the New Yorker, June 17, 1985]

On Tuesday of last week, in the first of two articles on American military policy in Nicaragua, the *Times* quoted "an intelligence official whose opinions have been solicited by members of the National Security Council" as saying that an American invasion of Nicaragua would be as easy as "falling off a log." The story described a new airfield at Palmerola, in the Honduran highlands west of Tegucigalpa, which was dedicated in February. The field, one of eight in the country, has an eight-thousand-foot, lighted, all-weather runway, which "shimmers like a mirage in the midst of a sprawling military town of wood huts, camouflaged anti-aircraft emplacements and repair shops." The story also noted that this year the United States Army's Southern Command is scheduled to receive a detachment of C-7 Caribou planes, which are capable of "landing troops or matériel" on any of nine hundred "tiny, undeveloped airstrips" in the region. According to the *Times*, "United States intelligence sources in the region have told their superiors in Washington that major Nicaraguan installations are lightly defended"—that thirteen potential targets in the Managua area are guarded only by 57-millimetre and 37-millimetre anti-aircraft guns—and therefore, one intelligence officer has said, "if proper tatics and proper ordnance were applied to those sites, they'd never know what hit them." Another "political military officer in the region" outlined for the *Times* the most plausible scenario in the event of a full-scale conflict: "The U.S. would come in heavily for a month or so, mostly with air strikes against major facilities. Then a new government would be put into place, and it would come with its own army."

According to "several military analysts," the new government would have to deal with the Sandinistas, who might retreat to the hills and keep fighting, but this new government would probably benefit from "a program like El Salvador, advisers and assistance." The Sandinistas might not be much of a problem anyway, because, "one United States military officer who has briefed members of the National Security Council" said, the people who live in the mountains in Nicaragua don't like the Sandinistas and would chop their heads off. Military analysts said that another problem for the Sandinistas was that "Nicaragua has no counterpart to Vietnam's Ho Chi Minh Trail."

In the second article, the *Times* concentrated on the political, not the military, aspects of an American invasion, stating that "interviews with almost fifty" government experts in Washington, Panama, Costa Rica, Nicaragua, and Honduras "indicate that discussion of the issue has become commonplace in official circles," and that in the United States "the mood on Capitol Hill in the last few weeks appears to have shifted sharply against the Sandinista government." General Paul F. Gorman told Congress this winter that even if military aid for the Contras fighting the Sandinistas were renewed the rebels could not be expected to change the Nicaraguan government "in the foreseeable future." Therefore, the next step the Administration is most likely to take, said "several officials," is to end diplomatic relations. Senator Richard Lugar, the chairman of the Senate Foreign Relations Committee, told the *Times* that he thought this would happen soon, and "then we might recognize a government in exile." As for how the war to install that government might begin, "American officials say they have not dropped the threat to destroy" any MIG jets that the Nicaraguans might get from the Soviet Union; in fact, "they have broadened it to include Czech-built L-39 jet training planes." The *Times* explained, "The idea is that American warplanes would destroy the new planes and try not to hit anything else. Then in theory the attack would end.

But a senior Administration official said: 'I've never been able to see how that kind of phased operation stops because it sets off an action-reaction. If we hit the airport and maybe kill eighty or ninety people, they could come at the embassy,'" If they didn't come at the embassy, the official added, they might do something else to provoke an attack. "It is difficult to find anyone, friend or foe of the Nicaraguan government, who is confident the Sandinistas will not make a miscalculation that could lead to a military confrontation with the United States," the *Times* reported. "Many American military and diplomatic officials" have told their "superiors in Washington" that when a confrontation comes neighboring countries would welcome it. If the United States invaded Nicaragua, a Costa Rican official said, his government would issue a statement "saying something like 'it is unfortunate that the Cuban and Soviet advisers were invited in, and that the Sandinistas provoked it.'" An American intelligence officer who has interviewed dozens of people in Nicaragua and has been called upon to "brief numerous senior Administration officials on his views—including Mr. Weinberger, Mr. McFarlane, and Gen. John W. Vessey Jr., the Chairman of the Joint Chiefs of Staff" said, "What the people tells me is, 'we'd get out of your way and let you take care of the Sandinistas" if the Americans landed. The biggest problem that United States Forces would face, he added, would be preventing "severe retribution" against Sandinista officers.

Now that the invitations have gone out and the notice has appeared in the newspapers, it's probably too late to break off the engagement. Far be it from us to stand up in the back of the church and voice objections. But we do have a few questions. Real questions, not rhetorical ones. The answers to them are not, we think obvious, and that is the point. What, exactly, is a Czech-built L-39 jet training plane? Have we as a nation finally decided the debate about our right to topple governments we don't like? Do we really dislike the Nicarguan government so much more than, say, the government of Guatemala? (If so, what, exactly, does the phrase "human rights" refer to?) What about those eighty or ninety people who are going to be killed when we bomb the Czech L-39 jet trainers? What if a lot more people are killed—say, eight thousand, or maybe nine thousand? Once we have fallen off the log, what, exactly, are we thinking of doing in Nicaragua? That is, are we going to insure a democratic, non-repressive government? Or will we be satisfied as long as the government is anti-Communist? Are we completely convinced that the agent who did the man-in-the-street interviews was a good reporter, and that other Latin-American countries will welcome this invasion? What if some of them get angry and repudiate their debts to American banks? What about the difficulties in distinguishing between farmer and figher which led to, say, the trouble at My Lai—have we figured out how to prevent them? Will our allies in the free world support us, and should we care? Maybe some Americans—college students and such—will get angry and alienated: how much damage will that do to our country? Is there any way, short of our removing its government, for us to live in peace with Nicaragua? How much money will all this cost, and are there better things to spend that money on?

How much should we rely on experts and officials in this matter? Is there anyone else to rely on? Will falling off the log involve defoliating parts of Nicaragua, and, if so, will there be food shortages and the like? The ex-Somocistas in the Contra camps—what will their role be in the new Nicaragua? If the Russians are so deeply involved in Nicaragua, is there any danger that an American invasion of Nicaragua will escalate into something larger? Will an invasion hamper efforts to, say, reach arms-control agreements? Will the land that that has been given to peasants under the Sandinistas be returned to its former owners? Will an invasion undercut international law? Is international law a useful idea? What, exactly, will we feel when we watch the bodies of soldiers being returned to the United States—will our determination waver or will it increase? Have we citizens of the United States collectively given this whole business as much study as any one of us would give, say, the purchase of a new car?

HAPPY HAROLD THAXTON

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. LEHMAN of Florida. Mr. Speaker, my friend, Happy Harold Thaxton, is gone. His loss, for all of his literally thousands of friends in south Florida, will make our world a less joyous place. Our community, without Happy, will no longer have so zestful a personality.

Happy was not known by that name solely because of his own buoyant personality. He was called "Happy" because that is the way that he made others feel.

He had a great gift and a rare quality. No one encountered Harold Thaxton without feeling better. His calling in life was to make others happy, and this he accomplished with such success that never did a nickname fit a man better.

I would like to share the following article about this outstanding man with my colleagues.

[From the Miami Herald, Aug. 16, 1985]

HAROLD THAXTON, CABLEVISION EXECUTIVE

(By Belinda Brockman)

The nameplate on the Dynamic Cablevision executive's desk read "Happy" Harold Thaxton. It was more than just a nickname, it was a way of life.

"That's Happy in quotes," said Ken Fuchs, general manager of Dynamic, "because that's the kind of person he was."

Mr. Thaxton, a former local radio and television country music performer and vice president of Dynamic, died Wednesday of cancer in Griffin, Ga., where he had a second home. He was 66.

He was known as "Happy Harold" to all.

"A lot of people thought Mrs. Harold was my last name," his wife, Anna said.

Country music disk jockey "Uncle Martin" Whales gave Mr. Thaxton the title.

"I knew Uncle Whales when I worked in radio," Mr. Thaxton said in a 1980 interview. "He called me that name because I was always happy. And I am still that way."

A Miami area resident since 1946, Mr. Thaxton ran unsuccessfully for the Hialeah City Council in 1961. Before the election, he was considered a shoe-in for the seat. But the ballot read James H. Thaxton, his legal name. He always claimed he lost the election because no one recognized his name without the "Happy."

He never entered city politics again.

Mr. Thaxton came to Miami to play professional baseball, which he did, for four years. Then, "he ended up in country music," Anna said.

But country music was nothing new to him. Raised in Georgia, Mr. Thaxton was surrounded by the musical style since childhood. He learned to play the bass fiddle at the age of 15.

In 1951, Mr. Thaxton made his television debut on Channel 4's "Uncle Martin Show" with Whales and Molly Turner. The half-hour program aired Saturday afternoons.

Dressed in a porkpie hat and suspenders, with freckles painted on his face and a tooth blackened out, Mr. Thaxton provided the show's comic relief, as well as being the band leader.

"I thought we were Hee Haw before its time," said Turner, who is now Channel 10's consumer reporter. "He helped me get started in television, so I owe him a lot."

The show's first on-screen sponsor was "Alabama Bill" Lehman, a used car salesman who is now a congressman.

The program later moved to Channel 17 and the name was changed to "Sunset Ranch." Still later, it aired on Channel 10.

With his engaging grin and gravelly voice, Mr. Thaxton continued to charm radio and TV audiences until 1965.

But he was never totally absent from the small screen. From 1969 to 1978, he hosted public television station WPBT's yearly auctions, and was the local host for the Cerebral Palsy telethons from 1972 to 1978.

In 1972, Mr. Thaxton joined Dynamic because he saw cable television "as the coming thing," he said five years ago. He remained with the company until his death.

"He was the kind of person who had a real impact on you when you met," Fuchs said. "He was the epitome of life."

In a semi-conscious state the day before he died, Mr. Thaxton's wife asked him "to give me that "Happy Harold" smile," she said. "And he gave it to me."

In addition to his wife, survivors include his mother, Susie; four sisters, Annetta Eubanks, Sara Proctor, Joyce Thaxton and Mabel Peters, and a brother, A.L.

Visitation will be from 5 to 9 p.m. today at the Lowe-Hanks Palm Avenue Chapel, with services at 1 p.m. Saturday.

Memorial donations may be made to the American Cancer Society.

CONTRIBUTING TO DEVELOPMENT IN PARAGUAY

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. MAVROULES. Mr. Speaker, I want to call my colleagues' attention to the generous donation of two Massachusetts organizations toward promoting education in Paraguay.

Through the Peace Corps Partnership Program, the Bilingual Club of Haverhill High School and the Boston Area Returned Peace Corps Volunteers have funded the expansion of a local primary school in a small community in Paraguay to accommodate secondary students as well.

The Peace Corps Partnership Program ought to be applauded for providing the channel for private sector donations to developing nations. In the last 20 years, the Partnership Program has helped the American private sector provide more than $3 million for 2,000 self-help projects in 90 developing nations. I would like to especially commend the Bilingual Club of Haverhill High School for being a partner of such a worthwhile endeavor.

OWING 1 CENT TO THE IRS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. CRANE. Mr. Speaker, I would like to share with you a letter I recently received from a constituent about the penalty he had to pay for miscalculating his income tax liability. While I understand the importance the Internal Revenue Service places on ensuring that everyone pays his or her fair share of taxes in order to reduce the deficit, this letter illustrates what incredible lengths the IRS has gone to in carrying out its task. Should we really be squeezing pennies out of taxpayers to reduce the deficit?

FRITZSCHE INDUSTRIAL PARK INC.,
484 WEGNER ROAD,
McHenry, IL.

U.S. Representative PHIL CRANE,
56 N. Williams Street,
Crystal Lake, IL.

DEAR PHIL: I thought that you would be interested in how efficient "The" Internal Revenue System is. As you will note the bill had to be made out and sent, costing a minimum of 23 cents (postage alone). This of course is 2,300 percent of the unpaid amount, 1 cent. The 1 cent is 1/23,866th of the total bill presumably owed.

The penalty is supposed to be 50 percent of the unpaid balance and the interest is supposed to be 13 percent per annum compounded daily. Now it is possible that 1 cent compounded daily could reach $1.33 in 100 days, but this seems quite unlikely since 13 percent of 1 cent is $0.00136 per year or $0.00000356 per day. Of course compounding does have a great effect but even after 100 days the normal interests only comes up to $0.000356 which would then be a total debt of $0.010356 to which we then add the penalty of 5 percent on the unpaid tax, plus 50 percent of the interest charges which then totals:

Interest	$0.010356
Penalty	.000500
Penalty on interest	.0605178
Total payment due	.0113738

As you can see there is a very large discrepancy between these two.

Maybe you should turn over the problem of the National Debt to the IRS. They would bankrupt the country in nothing flat.—No business.

Sincerely yours,
HERBERT W. FRITZSCHE,
President.

FRITZSCHE INDUSTRIAL PARK INC.,
184 WEGNER RD.,
McHenry, IL.

Requests for payment—Federal unemployment tax:

Our records show you owe $13.27 on your return for the tax and tax period shown above. If you believe our records are not correct, please see the information about the amount you owe on the back of this notice. Make your check or money order payable to the Internal Revenue Service. Please write your taxpayer identifying number on your payment and mail it with the bottom part of this notice. An envelope is enclosed for your convenience. You should allow enough

mailing time to be sure we receive your payment by April 18, 1985.

Thank you for your cooperation.

Tax statement:

Tax on return	$238.66
Total credits	238.65
Unpaid tax	.01
Penalty	11.93
Interest	1.33
Amount you owe	13.27

ELEVEN HEADS OF STATE SUPPORT PUERTO RICO'S PLAN FOR DEVELOPMENT OF THE CARIBBEAN BASIN INITIATIVE

HON. JAIME B. FUSTER

OF PUERTO RICO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. FUSTER. Mr. Speaker, the July 31, 1985, edition of Caribbean Business reported the contents of a joint letter which 11 heads of state from Caribbean nations recently sent to President Reagan. In general the letter expressed their concern about the future of the CBI.

One of the points highlighted in the letter was the heads of state backing of Puerto Rico's plan to finance economic development of the Caribbean region with funds generated under section 936 of the U.S. Internal Revenue Code. I feel it is important for the Congress to learn how these leaders feel about this important issue and thus I quote from their letter to President Reagan:

As you are aware, consultations have also been taking place between several of our countries and the government of Puerto Rico concerning the use of funds available to Puerto Rico under the provisions of Section 936 of the Internal Revenue Code to finance a number of projects.

These projects could have a positive effect on developmental efforts jointly in Puerto Rico and in the countries of Caricom. We clearly perceive these as being not only to the mutual benefit of Puerto Rico and our countries but also very much in line with the objectives of the CBI.

In a few days the Ways and Means Committee will be dealing with the fate of section 936 of the IRS Code. That section is not only vital to Puerto Rico's economic development but to the Caribbean Basin Initiative as well.

I trust you will take these important considerations and the views of the following heads of state into account when you participate in the approaching deliberations:

Vere C. Bird, Prime Minister, Antigua and Barbuda; Bernard St. John, Prime Minister, Barbados; Lynden Pindling, Prime Minister, Bahamas; Manuel Esquivel, Prime Minister, Belize; Herbert Blaize, Prime Minister, Grenada; Edward Seaga, Prime Minister, Jamaica; John Osborne, Chief Minister; Montserrat; Kennedy Simmonds, Prime Minister, St. Kitts-Nevis; William George Mallet, Deputy Prime Minister, and Minister of Trade Industry and Tourism, St. Lucia; James Mitchell, Prime Minister, St. Vincent and the Grenadines; Erol Mahabir, Minister of External Affairs, Trinidad and Tobago.

TRIBUTE OF CONGRESSWOMAN BARBARA BOXER TO THE CALIFORNIA VETERANS HOME AT YOUNTVILLE

HON. BARBARA BOXER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mrs. BOXER. Mr. Speaker, I would like to take this opportunity to pay special tribute to the California Veterans Home at Yountville, which is celebrating its 101st anniversary this year.

This historic home at Yountville is the largest of its kind in the country. It houses more than 1,400 men and women who served the United States with courage during the First and Second World Wars and our Wars in Korea and Vietnam. The home provides these veterans with medical care to meet their needs, the opportunity to work and to relax as they please, and an environment where they may live with the dignity and respect they have earned many times over.

What makes the home so special is that it is based on caring—the caring of staff members and volunteers, and of the veterans for one another. Sometimes this care can blossom into love as it did for one couple in their eighties who met and married at the home. There are presently 18 married couples residing at the home. The California Veterans Home at Yountville indeed deserves the highest tribute, for it has been much more than a place to live over the last 101 years. It has been a home.

PAY EQUITY STUDY LEGISLATION—LAUDABLE

HON. STEVE GUNDERSON

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. GUNDERSON. Mr. Speaker, prior to the August recess, the House of Representatives debated H.R. 3008, the Federal Equitable Pay Practices Act of 1985. In light of the fact that this important legislation will be returning to the House floor this month, I wanted to express my wholehearted support of this measure to study the Federal Government's job classification and pay systems.

H.R. 3008 was reported out of the House Post Office and Civil Service Committee, with bipartisan support, on July 24, and since that time a barrage of information has flooded our offices opposing the intent of this legislation and the study. These red flags of caution and warning I contend are unwarranted. Are those in opposition to a study of the Federal work force afraid of what may be discovered?

Pay equity concept is evolving into an important issue of the 1980's. As an issue of this decade, pay equity is not a new or innovative idea of our times. At an International Labor Organization Conference held in Rome in 1951, 80 nations passed a resolution supporting comparable worth. Additionally, more than 100 comparable worth/pay equity initiatives now exist at various governmental levels around the country. Six States have implemented comparable worth/pay equity policies, and other States are in the process of studying their State's pay classification and compensation systems. I contend now is the appropriate time for the Federal Government to review it's classification and wage systems to determine if ethnic origin, gender, or race are elements used in setting pay scales in the Federal work force.

H.R. 3008 establishes a bipartisan "Commission on Equitable Pay Practices" to oversee a study conducted by an independent, private consultant on the Federal classification and wages. The study will take into consideration positions of classified employees of the Federal Government, it will not affect local or State public sector employees or the private sector work force.

H.R. 3008 offers important technical revisions that were not included in H.R. 5680, which was passed by the House last year. The revisions include a March 1985 GAO recommendation on how to conduct a pay equity study by expanding the study to determine if economic variables such as education, locality, merit, productivity, seniority, veterans status, and work experience are associated with occupational pay differentials. Economic analysis joined with job content analysis will provide for a well rounded approach to the study.

The questions asked by this legislation, and determined by a careful study are legitimate. An undertaking of this nature will essentially provide the administration and Congress with information and recommendations to determine if Federal pay practices are consistent with section 6(d) of the Fair Labor Standards Act of 1938 and title VII of the Civil Rights Act of 1964.

The Federal classification and pay systems were established by the Classification Act of 1923, and since that time there has not been a general review of the system. I believe now is an appropriate time to address this matter. It would be rather naive to think that some Federal positions have not become institutionalized, over the years, by a particular gender or race. Let's not push aside a fact finding study of the classification and wage systems and an opportunity to improve the Federal Government as a responsible and fair employer.

The Federal Equitable Pay Practices Act of 1985 is a laudable piece of legislation to assist the administration and Congress in identifying, and if need be address, any forms of discrimination that may exist within the Federal pay system. I strongly urge my colleagues to seriously consider favorably H.R. 3008.

PROMOTING DEMOCRACY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Foreign Affairs Newsletter for August 1985 into the CONGRESSIONAL RECORD:

PROMOTING DEMOCRACY

The American people believe the U.S. should promote the growth of democracy. That belief is shaped by the nation's history and is reinforced by a confrontation with modern ideologies that reject the principles and practices of democracy.

Today democracy is challenged as rarely before. Social and economic ills are its enemies. Indeed, some argue democracy is suitable only for wealthy post-industrial nations and not for improverished societies with severe socio-economic imbalances. Democracy's foremost political challenge comes from the Soviet Union, which regards its system as an international model of government and vigorously promotes its cause worldwide through the communist party and the force of arms.

Despite the challenge, democracy's position is not hopeless. Freedom House, a private group that monitors political and civil liberties around the world, found ten years ago that one person in five lived in full freedom under a democratic government. Today, the figure is one in three. Of the present 167 nations and 52 dependent territories, 53 nations and 32 territories are fully free, and 55 nations and 3 territories are without any freedom at all.

The status of democracy varies. The most encouraging trends have been in Europe and Latin America. Spain, Portugal, and Greece reestablished democratic governments in the mid 1970's. In Latin America, Brazil, Argentina, and Uruguay recently joined the democratic fold. The situation remains poorest in the Middle East and Africa. Israel is considered the only true democracy in the Middle East, and Freedom House finds only two democracies in Africa, Mauritius and Botswana.

Democracy's survival depends on its ability to overcome economic, social, and political challenges. Because of these challenges, President Reagan in 1982 told the British Parliament that a "global campaign" was necessary for democracy's survival and growth. He urged a coordinated effort by the major Western democracies, not only to foster democracy elsewhere but to rejuvenate the commitment to democracy within Western societies.

The promotion of democracy poses risks. Democracy reflects a specific historical experience and no one should expect all democracies to develop the same way. The promotion of democracy may look to some like interference in another country's domestic affairs. Also, proponents of democracy sometimes attempt to establish democratic institutions in countries that lack the social and economic structure to support them. Democracies function best where there is a pluralistc structure of private enterprise, educational institutions, labor unions, and other professional and interest groups. Furthermore, there is need for caution in supporting individuals who claim to back democracy. Sometimes these same leaders later adopt anti-democratic methods.

The U.S. already has taken significant steps to promote the spread of democratic values. In 1983, Congress established the National Endowment for Democracy, which seeks to promote and support initiatives from the two major U.S. political parties, labor organizations, business groups, and university foundations. It also assists the work of other government-supported offices like the U.S. Information Agency, the Voice of America, and Radio Free Europe.

Political party foundations in several Western countries have also assisted the growth of democracy through their support of counterpart political parties in southern Europe and Latin America. U.S. political parties are not as ideological as their European counterparts, but they are also beginning to promote and assist the development of political parties in countries struggling to strengthen their democratic systems. Coordinated policies supported by several countries will have a greater chance of success, and can give support to all democratic parties in a nation rather than just one.

U.S. development assistance can also help strengthen democratic institutions. Many democracies now face serious debt problems and their survival will depend in part on how we can help them through this period. Several other democratic countries have significant development assistance programs. These programs help address social and economic deprivation and help nurture political and cultural institutions that enhance democracy. To realize these goals, the U.S. needs to reassess the present imbalance in its aid program favoring military assistance, which does little to foster the emergence of domestic conditions favoring democracy.

Another step the U.S. and its sister democracies can take is to respect the political independence and territorial integrity of sovereign states. Promoting the overthrow of governments because their principles and system do not conform to democratic ideals will not aid the cause of democracy. Democratic governments will help their cause most by following accepted international rules and using the tools of diplomacy.

Finally, the most important step we can take to assist democracy is to live up to our own ideals. Democratic societies are on trial before the world as they address equal opportunity in education and employment, and such issues as drugs, crime and other less attractive aspects of free and individualistic societies. They are rightly judged not just by the freedoms and opportunities they provide for the most capable, but also by the compassion they show to those least able. Each step taken by democracies to make their societies a better place to live will serve as proof of the value of democratic government.

THE SHOE TAX BECKONS

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. CRANE. Mr. Speaker, by September 1, President Reagan has to make a decision in regards to the International Trade Commission's [ITC] recommendation to impose quotas on imported footwear. I recently cosigned a bipartisan congressional letter to President Reagan urging him to take into consideration the interests of the American public as a whole and reject the footwear quotas.

The effect that the quotas would have on American families, especially the elderly and the low-income consumers, must be weighed into this decision. Quotas would slap a hidden tax on consumers that would drive up shoe prices, costing consumers billions of extra dollars and they would restrict the freedom that Americans enjoy of purchasing whatever shoes they want and can afford. Over half the shoes sold in America retail for under $15 and they are virtually all imported. Quotas cost money—and the people who would pay the price of protectionism would be those least able to afford it.

The ITC estimates that the shoe quota would cost the U.S. consumer $50,000 per year for each $14,000 a year job that is saved. In terms of overall dollars, it would result in at least a $1.5 billion per year extra burden on the American consumer. Mr. Speaker, in this case, the cost of restraints is too high and the benefits to the domestic shoe manufacturing industry too negligible to warrant any such action.

I am submitting the following article from the New York Times, appropriately titled, "The Shoe Tax Beckons." Although the quotas would be aimed at protecting the domestic shoe industry, they would be doing so by in effect adding an extra tax to the current price of shoes. The article follows.

THE SHOE TAX BECKONS

The U.S. International Trade Commission, yielding to pressure, recommends quotas that would reduce imports of shoes sharply and drive up their price. President Reagan must now decide whether consumers should finance this remedy, saving American jobs at an annual cost of $50,000 each.

Shoes offer a model study in what's wrong with protectionism, and why it's so hard to stop.

Manufacturing inexpensive shoes requires only simple machinery and abundant low-cost labor. That is why Brazil, South Korea, Taiwan and other low-wage countries produce most of the shoes sold in the United States. Their competition has forced American manufacturers to retrench, closing two-thirds of their plants in the last 15 years. Many of the remaining plants are profitable only because they produce high-quality shoes, whose style is more important than price and whose main competition comes from high-cost factories in Europe.

Competition ought to determine the future of the industry, allowing smarter, more flexible domestic producers to find their niche in a market dominated by low-cost third-world producers. Indeed, the growth of the American economy depends on its gradual shift from low-wage, labor-intensive to high-wage, high productivity industries that can sustain rising living standards.

What's good for most Americans, of course, isn't necessarily good for those who own or work in shoe factories. Of the remaining U.S. producers, the most marginal couldn't possibly survive open world competition. Even the most productive would benefit from protection. From the Carter Administration they got temporary quotas on imports from Taiwan and Korea, briefly

halting the industry's decline. To the shoe makers' dismay, President Reagan chose to interpret "temporary" to mean just that; quotas were allowed to lapse in 1981.

Last year the International Trade Commission, an independent Federal agency, denied the shoe makers' petition for import relief, citing the high profitability of the more modern shoe companies. So the industry went back to work the new-fashioned way: lobbying Congress. That changed the commission's mind, and for an obvious reason. The shoe makers speak with a single voice and can point to job losses in 48 states. Thus their influence in politics far exceeds their importance to the economy. The Senate Finance Committee insisted that the Trade Commission reconsider.

This time around the commissioners voted 4 to 1 for a plan that would limit imports to 60 percent of the market saving an estimated 26,000 jobs. By the reckoning of the one dissenting commissioner, that would cost consumers $1.28 billion a year, three times the wages of those 26,000 workers.

To resist, President Reagan may need more than arguments. Though plainly devoted to free trade, he has already yielded expensive import relief to the clothing, steel and motorcycle industries. A nation benefiting from open trade needs to offer something better than protectionism to workers and communities caught in the tides of industrial change. But that is a policy problem that Washington has never taken seriously.

LET'S IMPROVE OUR COUNTER-INTELLIGENCE CAPABILITY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. BROOMFIELD. Mr. Speaker, our Government must do more to expand and professionalize our Nation's counterintelligence programs. Congress has been supportive of this effort and has made additional resources available. Given the dramatic rise in espionage directed against our Government and the private sector, much more needs to be done to counter this growing threat to America's security. I want to share some views on this important issue from the Washington Post with my colleagues in the House.

While all Americans are both worried and disturbed about the recent Walker spy case, it is important to realize that our Government can do more to limit the spying activities of foreign intelligence services in this country. It is incredulous that the Federal Bureau of Investigation, the agency responsible for counterintelligence operations in the United States, is undermanned in the counterintelligence area. I understand that the counterespionage capabilities of other agencies in our Government could be upgraded with the introduction of more resources to include additional personnel specializing in this important area.

A key element of this question is limiting the number of foreign intelligence operatives in the United States. While it is possible for the FBI to monitor the movements of some Soviet intelligence personnel assigned to their Embassy in Washington, hundreds of Soviet personnel assigned to the United Nation's Secretariat in New York have free access to all States and cities in the United States. Among United Nations employees, the large Soviet delegation has the reputation of not doing much official United Nations work. They apparently spend a lot of time, however, traveling around the United States literally siphoning up valuable intelligence information. It is understood that the Soviets collect so much information that they have real difficulties in sorting, processing and collating much of it. Fortunately, Congress is moving ahead and passing legislation designed to limit the number of Soviets who are assigned to their Embassy and to their U.N. delegation.

With those concerns in mind, I commend the following article to my colleagues in the House. Obviously, we cannot do enough to protect America's security. The time for action is now.

CONGRESS, AGENCIES CLASH OVER COUNTERINTELLIGENCE

LAWMAKERS CALL ADMINISTRATION EFFORTS WEAK

(By Charles R. Babcock)

In the spring of 1984, Sen. Malcolm Wallop (R-Wyo.) received a certificate naming him an "honorary counterintelligence specialist" in the Central Intelligence Agency. The award was said to be in recognition of his efforts to establish a semiautonomous core of career counterintelligence (CI) specialists in the agency.

Wallop, then chairman of the Senate Intelligence budget subcommittee, was neither honored nor amused.

"The CIA ridiculed the career specialist by giving me the award," he said in an interview. "It was designed in total cynicism, with little boys laughing behind doors."

So he wrote, and Congress approved, language in the classified intelligence agencies' authorization bill report for fiscal 1985 requiring the CIA to reestablish CI as a career service. It still has not been done, he and other intelligence sources say.

Doing something about counterintelligence has been a hot topic since accusations in May that alleged spy John A. Walker, Jr. and others for years had passed U.S. Navy secrets to the Soviets. To Wallop and other critics, the Reagan administration's inaction on the "CI specialist" mandate reflects a broader lack of commitment to improving the nation's ability to protect secrets from foreign agents.

"This country," Wallop said, "has virtually zero counterintelligence capability."

He argued that the CIA's counterintelligence system is inadequate because the officers now working in it will someday rotate out to work for other officers whom they may have investigated or whose operations they may have challenged. The result, Wallop said, is a too casual effort, in which the tough questions are not asked about the credibility of agents, operations or even technical systems.

Although few others are so critical, interviews with current and former intelligence officials suggest that the Reagan administration's strong words about counterintelligence have often been matched only by half-steps.

President Reagan said in a radio speech in June that "we've developed a list of things to be accomplished in the counterintelligence and security areas." He has signed two secret directives to study and act on the counterintelligence problem, but little of substance has been accomplished because of bureaucratic resistance, several sources said. A separate directive to revamp personnel security policies has been languishing without action for more than a year.

Funding for more FBI counterintelligence agents—who are responsible for counterespionage operations in the United States—has been added to recent budgets, but only over the objections of administration budget officers. There are now about 1,200 CI agents in the FBI, sources said. But they are still outnumbered, and squads of inexperienced clerks have been used for years to help keep track of potential foreign agents in at least four major cities.

Administration spokesmen declined to speak on the record about the counterintelligence issue. But several members of Congress did. Rep. Lee Hamilton (D-Ind.), chairman of the Permanent Select Committee on Intelligence, said "sometimes it takes a strong blow across the snout," such as the Walker case, to get the administration and Congress to focus on a problem. "Politicians, including myself, are responding to it," he said.

The broad definition of counterintelligence means protecting the nation's documents, communications and secret facilities from penetration. To most people, however, counterintelligence means the stuff of spy novels, the American agent trying to stop the KGB from recruiting a U.S. spy or catching a spy in place.

The main responsibility is split between the CIA, which keeps track of foreign intelligence agents overseas, and the FBI, which does the same in the United States.

Hamilton and Sen. Patrick J. Leahy (D-Vt.), vice chairman of the Select Committee on Intelligence, said long-term solutions are required, in addition to the increased use of polygraphs and imposing the death penalty on military personnel for peacetime espionage, the two measures passed by Congress so far.

Hamilton said the least expensive and most important step to protect national secrets would be enforcing the "need to know" policy. "A security clearance shouldn't entitle anyone to see anything. Someone should have access only if he needs it for his job."

A theme in much of the criticism is that counterintelligence is not viewed as a path to career promotion at the CIA or FBI, or the State Department, where security has long been a low priority.

Rep. Dave McCurdy (D-Okla.), chairman of the House intelligence oversight subcommittee that has been holding closed hearings on counterintelligence, said he feels the biggest security problem is at the State Department. He said CIA Director William J. Casey had accepted a recommendation by an internal CIA commission to give more independence to the CI staff there. "It's fine-tuning at CIA," McCurdy said. "It's trying to stop a flood at State."

He cited recent reports of bugged typewriters in the U.S. Embassy in Moscow and the hiring of foreign personnel in the embassy. "The Soviets [employes] have the run of the first five floors of our embassy in Moscow," he said. "It's ridiculous."

Hamilton said, "The Soviets do have extraordinary technical skills to penetrate our embassies and secure buildings and a Pin-

kerton guard from the local plant just isn't aware of what he's up against. Training and skills are critical. People have to be schooled in the techniques of modern espionage."

The Senate intelligence committee, for example, reported earlier this year that a Soviet facility at Glen Cove, N.Y., is believed to be intercepting so many U.S. telephone and telex messages that it requires the shipment of tons of material to Moscow each year. The National Security Agency has embarked on a major program to provide more scrambler phones for the nation's military and intelligence communications systems.

Rep. Andy Ireland (R-Fla.), also a member of the House committee, blamed the lack of concerted action on "bureaucratic inertia. Sometimes there are so many facets of a problem people are mesmerized into doing nothing."

The administration's uneven record on counterintelligence seems, at least in part, the result of longstanding and deeply felt differences about the best way to counter foreign spying here and abroad.

Melvin Beck, a CIA agent who shadowed KGB agents in Havana and Mexico City in the 1960s and has written a book about it, said he thought the experience was unglamorous and silly. Installing a microphone in a KGB officer's apartment resulted only in hours of tapes about his family life, not his spying, he said. "It's all a big game for both sides."

Counterintelligence is also an emotional issue because it amounts at times to spying on colleagues in a secret world where relationships must be based on trust. Mention of the name James J. Angleton, deposed a decade ago as chief of the CIA's counterintelligence staff, still generates controversy because of accusations that he unfairly wrecked the careers of some CIA officers he suspected of being Soviet moles.

In 1980, then-Director Stansfield Turner convinced Congress to approve a special fund to compensate CIA officers considered victimized by Angleton. Angleton supporters argue that any steps he recommended were approved by his superiors.

Wallop and others say an environment must be created in which intelligence information can be challenged and all potential security risks assessed. "There's an inherent dislike on the part of intelligence professionals to be second-guessed," Wallop said, adding that the CIA needs "the skeptical guy on the block."

Wallop said his ideas for changing counterintelligence at the CIA weren't easy to sell to the Senate intelligence committee because of the Angleton legacy. "It was so easy for [Deputy CIA Director] John McMahon to talk Bill Casey out of my idea of multidisciplinary analysis on the basis of Jim Angleton, which was totally irrelevant. To Bill's credit he later came around to the argument I was making. But when it was first presented Angleton was thrown up."

The first Reagan presidential directive to take action on the CI front was drafted by the National Security Council staff in 1981. But some senior career intelligence officials lobbied to change the order to a study, sources said.

NSA, which intercepts foreign communications and attempts to break the coded messages of other nations, opposed suggestions that it had not rigorously addressed the possibility the Soviets were passing false information through its technical collection systems. NSA's reluctance may come about because billions of dollars and careers are invested in U.S. technical systems, Wallop said.

When the study was completed, a new action order was drafted. As a result, a new national intelligence officer for deception was created in late 1983. A former head of the CIA's overhead photo interpretation center, R.P. (Hap) Hazzard, was picked for the job. But executive branch and congressional sources said that little else was done.

When the directives failed to get much action, Wallop led the fight to write part of the counterintelligence agenda into the fiscal 1985 intelligence authorization bill. Besides the CIA career specialty, he got the votes to order the agencies to set up units to conduct "multidisciplinary counterintelligence analysis."

Usually in intelligence work, an intercepted communication or agent report that tends to confirm something in satellite photography would be taken as corroboration and, the more varied the sources, the more credence the conclusion would be given. The multidisciplinary counterintelligence approach would look at the same material for signs that it had been intentionally planted.

One intelligence official familiar with the idea said the CIA does make a good-faith effort to look for deception but often can't find the evidence. "Some things you just have to believe or you will put a caveat on everything you say and then you might as well go out of business," he said.

Wallop said, "The two things in the '85 budget, the career slot and the multidisciplinary analysis are still not effective creations . . . To date the effort has been accommodation rather than commitment. It simply cannot succeed as an accommodation."

Wallop added that recent congressional attempts to strengthen counterintelligence "are literally cosmetic, absent a more serious effort. The death penalty is not a counterintelligence policy. It can clearly be useful as a deterrent and it satisfies the national mood to be outraged . . . But it still isn't at the core of the problem."

The best way to aid the FBI is not simply to increase the number of counterintelligence agents, several experts agreed, but to try to shrink the problem by cutting the number of Soviets in this country or putting greater restrictions on their travel.

An amendment sponsored by Leahy and Sen. William S. Cohen (R-Maine) to make Soviet and U.S. diplomatic missions more equal in size was passed by Congress late last week. So was a proposal by Sen. William V. Roth Jr. (R-Del.) to limit the travel of Soviet nationals who work for the U.N. secretariat in New York.

Roth, a member of the intelligence committee, said that with 4.3 million Americans with security clearances "the best choke point is on the other side—better control of those on the Soviet side." He noted that the committee issued a report in May charging that 200 of the 800 Soviet U.N. employees were intelligence officers.

"The good news," Leahy said, "is that as a result of the Walker case and others, people are actually focusing on this and the administration and Congress will look for long-term solutions."

IT COULD COST, NOT PAY

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DYSON. Mr. Speaker, the following article appeared in the News American on Monday, July 29, 1985. I feel it is worth repeating.

At first blush the Senate's proposal to impose a $5 per barrel tax on imported oil sounds like a great revenue raiser—and a way to reduce the national deficit. It's estimated that the fee and the resultant increased costs on refined products would yield about $20 billion over the next three years.

Right away there is a problem with the White House, because President Reagan still is insisting that the way to cut the deficits is not to raise taxes but to reduce federal spending. The president hasn't reacted to the Senate's proposal so far, but a senior White House official said it would take "a big horse pill to get him to swallow this."

But the Senate's proposal has a number of economists concerned about the overall negative impact on the economy.

For one thing, some economists claim, the higher tax on energy would affect industry as well as motorists and homeowners, and there would be a resultant slower growth in the gross national product, offsetting much of the gain from the increased taxes. Also, oil prices have come down, and if they come down further inflation likely would fall and real economic growth would increase. Faster growth would in turn increase Federal revenues.

There is a further concern that with the $5 fee increasing the price of crude oil and natural gas in the United States but not in other countries the domestic oil industry would be placed in an unfavorable competitive position with other parts of the world.

Other economists have found these arguments, debatable, but the point is that the Senate, in what appeared to be an easy way to raise revenues, has opened an economic Pandora's Box.

It may be President Reagan will reject the proposal outright. But if he doesn't it would behoove the Senate to take a far deeper look into the possible results before going ahead.

HIGH TECHNOLOGY ACTIVE BUSINESS ACT OF 1985

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. STARK. Mr. Speaker, on Wednesday, July 31, 1985, I introduced the High Technology Active Business Act of 1985, which was designed to eliminate problems associated with the imposition of personal holding company tax on small software companies. Because of the interest that this legislation has generated, I am printing in the

RECORD a detailed description of that legislation.

DETAILED DESCRIPTION OF THE "HIGH TECHNOLOGY ACTIVE BUSINESS ACT OF 1985"

I. Treatment for Personal Holding Company Tax Purposes of Computer Software Royalties Derived by Active Businesses (Sec. 2 of the Act).

A. Basic Problem: Imposition of the Personal Holding Company Penalty Tax on Closely-Held Software Companies.

The basic problem is that small software development companies often possess the characteristics that can trigger application of the personal holding company penalty tax provisions:

(i) The stock of the company is generally held by relatively few shareholders who participate directly in the software development; and

(ii) Once developed, the corporation's software product is transferred to others by means of a license to a particular computer manufacturer or other customer or via a so-called "box-top" license to the public (under which the retail customer agrees to the license merely by opening the wrapper of the software package). The use of a license is necessary to protect the developer's proprietary interest in the software. This form of transfer has been viewed by the I.R.S. as giving rise, at least in many cases, to passive royalty income deemed to be personal holding company income. See Private Letter Ruling 8450025 (September 7, 1984). However, these companies clearly are engaging in active, ongoing business activities, including the development of new and improved software and maintenance activities with respect to existing software products.

The personal holding company penalty tax provisions were adopted to prevent the incorporation of passive investment activities at a time when corporate tax rates were significantly lower than the top individual rates. Accordingly, the application of the personal holding company provisions to software development companies conducting substantial active, ongoing business operations produces an unintended and extremely harsh result.

B. Exclusion for Computer Software Royalties Derived by an Active Business.

The Act adds a new exclusion from the definition of personal holding company income for computer software royalties that are derived by the corporation from the active conduct of a trade or business.

C. Standard for Computer Software Royalties from an Active Business.

For purposes of the new exclusion, computer software royalties will be treated as derived from the active conduct of a trade or business if the corporation satisfied the following *objective tests:*

(1) The royalties must be attributable to computer software that has been:

(a) Developed, manufactured, or produced (in whole or substantial part) by the corporation in connection with a trade or business; or

"Developed, manufactured, or produced" is intended to include software that has been created by the corporation and software that has been purchased from another person for inclusion in a software or combined hardware-software product of the corporation.

"In connection with a trade or business" is intended to mean software that the corporation has developed or acquired for use in a present or *future* business, so as to include software that has been developed during the corporation's start-up phase.

"Corporation (or its predecessor)" is intended to reach the case in which the software is developed by a partnership that converts into a corporation once development has been completed and marketing is to begin or by one or more individuals who transfer the software to the corporation in a transaction qualifying under Code section 351.

(b) Distributed by the corporation in carrying on a trade or business, but only if the corporation otherwise is carrying on the trade or business of developing, manufacturing, or producing computer software.

This provision is intended to extend the exclusion to a software company that, as part of its active, ongoing business operations of developing, manufacturing, or producing software, also distributes software that has been produced by others.

(2) The computer software royalties must constitute 50 percent or more of the ordinary gross income of the corporation.

This requirement ensures that the computer software royalties arise from the primary business activities of the corporation.

(3) The sum of expenses properly allocable to the same trade or business as the computer software royalty income and (i) deductible as ordinary and necessary business expenses (Code section 162), (ii) deductible as research and development costs (Code section 174), and (iii) which would be deductible as ordinary and necessary business expenses if the corporation had been beyond the start-up phase must equal or exceed 25 percent of the corporation's ordinary gross income. Qualifying expenses for purposes of this test are defined to exclude compensation for personal services of major shareholders.

By requiring that R&D and ordinary business expenses be significant as a percentage of the corporation's income, this test distinguishes active business operations from the passive investment repository of the "incorporated pocketbook" situation. In the "incorporated pocketbook" situation, it is unlikely that the corporation could generate significant amounts of proper business expenses other than compensation of the major shareholder(s). Such compensation is not treated as a qualifying expense for purposes of this test.

In addition, by so excluding the compensation of major shareholders, the test addresses the "incorporated talent" concern by in effect requiring that the corporation's operations extend beyond merely the efforts of such major shareholders.

For purposes of the test, any software development costs that are not properly treated as R&D costs under Code section 174 are treated as ordinary and necessary business expenses under Code section 162 (or as amounts that would be deductible under section 162 if the corporation were beyond its start-up phase).

The major shareholders whose salaries are excluded from the category of qualified expenses are defined as the fewest number of shareholders (among those 5 or fewer individuals holding more than 50 percent of the stock for purposes of the personal holding company stock ownership test) whose combined ownership interest exceeds 50 percent in value of the outstanding stock of the corporation.

In essence, this definition of major shareholder results in exclusion of the compensation of those shareholders, beginning with the largest holders, who cause the corporation to exceed the 50 percent stock ownership ceiling for personal holding company characterization purposes.

Solely for purposes of this exclusion of major shareholder compensation from the category of qualifying business expenses, the determination as to who is a major shareholder is to be made without regard to stock that is deemed to be owned by the shareholder solely by reason of attribution from a partner. This provision is intended to address the situation in which an employee with a relatively small stock interest also is a partner in a venture capital fund owning shares in the corporation. If the partnership rules were to be applicable here, this small shareholder-employee would be treated as owning all of the stock held by the venture capital fund when such employee was not truly a major shareholder of the corporation. Accordingly, the partnership attribution rules are made inapplicable for this very limited purpose of determining excluded major shareholder compensation.

A special rule is included to address the situation in which a software company develops a product that proves extremely successful in the market, generating a very substantial amount of cash that the company is reluctant to wholly reinvest in expansion of business operations because of prudent growth concerns. In such a case in which growth income outstrips growth in business expenses, difficulty may arise in meeting the 25-percent-of-income threshold for business expenses, even though the company clearly is engaged in active, ongoing business operations. Accordingly, the special rule permits a company to apply the 25 percent test on the basis of the annual average (in dollars) of business expenses and income over a period consisting of the taxable year in question and the immediately preceding 4 taxable years (or, in the case of a company that has been in existence for less than 4 years, the period consisting of the taxable year, any of the 4 prior years during which the corporation has been in existence, and any immediately succeeding taxable years that are necessary to complete the 5-year computation period).

(4) The corporation must not have other types of personal holding company income that total more than 10 percent of its ordinary gross income.

This requirement is included to prevent a corporation receiving the benefit of the computer software royalties exclusion from sheltering significant amounts of other types of personal holding company income.

Computer software royalties, interest earned on working capital balances during the corporation's start-up phase, and dividends from a (50 percent or more) subsidiary that qualifies as an active software business are not considered to be personal holding company income for this purpose.

Rents and mineral, oil and gas royalties are considered to be personal holding company income for this purpose.

The corporation may avoid running afoul of the 10 percent ceiling on other forms of personal holding company income by paying, to the extent of the excess over the 10 percent ceiling, a dividend during the taxable year, a dividend that is considered to be paid on the last day of the taxable year under Code Section 563, or a consent dividend. A similar provision is included in the present law exclusion of rents (under Code section 543(a)(2)) from personal holding company income.

D. Miscellaneous.

A U.S. software developer's foreign subsidiary that licenses software directly to customers abroad is subject to personal holding company characterization under the foreign

personal holding company provisions for the same reasons as its U.S. parent. To address this problem, an exclusion is added to the definition of foreign personal holding company income for computer software royalties that are received by a foreign subsidiary that otherwise satisfies the requirements of the computer software royalties exception as applied for domestic personal holding company purposes, except that the foreign subsidiary need not "develop, manufacture, or produce" the software giving rise to the royalties so long as the U.S. parent or other member of the same affiliated group satisfies the "develop, manufacture, or produce" test with respect to the software. This provision effects no change in the Subpart F rules.

E. Effective Date.

The new computer software royalties exclusion is applicable to all taxable years ending after date of enactment. However, the Act is intended to clarify the proper treatment of computer software royalties under present law for purposes of the personal holding company provisions.

II. Elimination of R&D Expenditures as a Minimum Tax Preference Item for Personal Holding Companies (Sec. 3).

A. Basic Problem: Application of the Minimum Tax to Start-Up High Technology Companies.

Although R&D expenditures are not treated as a preference item for minimum tax purposes for corporations generally under present law, such costs are made a preference item (under Code section 57(a)(6)) for personal holding companies. During the typical start-up phase, the high technology company will incur substantial R&D expenditures which greatly exceed the company's income, thereby generating net operating losses which may be carried forward to offset profits in future years. The company's only source of income during this start-up phase often will be the interest earned on its working capital balances. If the high technology company constitutes a personal holding company because of this passive interest income, its loss carryforwards will be "tainted" such that, in future years when loss carryforwards are offset against operating profits, the company will be subject to a minimum tax liability on 90 percent of the R&D that had been expensed in the taxable years in which the loss carryforwards were generated.

B. Elimination of R&D Expenses as a Preference Item for Personal Holding Companies.

The Act would eliminate Code section 174 R&D expenses as a preference item for minimum tax purposes for personal holding companies (as well as corporations generally, as under present law).

This is a technical correction of an unintended result. Section 174 R&D expenses were added as a preference item by the 1982 Tax Act essentially in response to the emergence of the R&D limited partnership device, which passes through R&D deductions to individual investors to shelter their unrelated income. By contrast, since a personal holding company is a corporation and not a pass-through entity, no potential exists for using R&D deductions to shelter unrelated income directly received by the individual. In addition, it is difficult to envision a personal holding company undertaking research activities merely to shelter unrelated income of the corporation.

C. Effective Date.

This provision of the Act would be effective for taxable years beginning after December 31, 1982.

AGRICULTURE 1985

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 28, 1985, into the CONGRESSIONAL RECORD:

AGRICULTURE 1985

American farmers will probably have huge harvests this year, prompting fears of further distress in rural areas. Congress is seeking new approaches to increasing farm problems. The dilemma is how to improve farm income and provide sufficient credit while reducing government spending for agriculture. Legislation now before Congress could have greater impact on farmers than in any recent year.

CREDIT

Congress is studying options for reforming the financially troubled Farm Credit System (FCS). The system of 37 banks is federally sponsored, privately owned, and cooperatively organized. It is regulated by a quasi-federal agency, but is financed independently through the sale of farm credit bonds. For generations it has been a reliable source of funds for farmers, and its bonds have been highly rated.

Problems in the system raise concern about its long-term survival. Bad loans and fleeing borrowers, the need to rescue the Spokane district, and trouble in the Omaha district—all caused by current farm problems—show that changes are needed to improve the system's effectiveness. The FCS's unique funding sources and lending practices also cause borrowers problems. Interest rates at FCS banks are not linked to those at commercial banks; they usually change more slowly than commercial rates. Hoosier farmers were dismayed recently to see FLB and PCA interest rates go up while the prime rate fell at commerical banks.

Proposals addressing these financial problems include more credit, debt restructuring, interest buy-down, and purchase of farm assets. Some have proposed more centralized control of the FCS to help it move reserves more quickly to troubled districts. Others have suggested direct federal aid. Most of these proposals require substantial federal funds. Lawmakers will insist that the system use its own considerable resources to deal with problems, but a system providing over $80 billion in loans must remain a major component in agricultural lending.

TAX REFORM

Tax reform could have greater long-term impact on agriculture than farm programs. Agriculture has been a tax haven for many investors. Current policies encourage excessive land and equipment investment, and add to productive capacity, causing overproduction and lower farm prices. Federal revenue lost from agricultural shelters is estimated to be double the taxes paid by farmers.

The President's tax plan tries to discourage nonfarm investors from getting involved in tax loss farming by removing various tax preferences. The plan eliminates income averaging and the investment tax credit. It slows down the depreciation of most farm equipment from 5 to 7 years, and restricts cash accounting. It ends capital gains treatment for timber, livestock, and unharvested crops. It removes the deductibility of preproduction and development costs for some livestock producers, and orchard and vineyard farms. Write-offs for fertilizer and soil reconditioning, soil and water conservation, and some reforestation credits are also eliminated.

Many family farmers have benefited from these procedures. The Department of Agriculture claims, however, that for most farmers lower tax rates and the increase in the personal exemption will offset the loss of these provisions. According to them, 75% of farmers will fall into the lowest—15%—tax bracket, and their overall taxable income will drop by 17%. Farmers will have to follow tax reform as it progresses through Congress to see how different changes will affect them. Several proposals under consideration could increase the current tax burden on farmers.

FARM BILL

The omnibus farm bill, authorized every four years, provides for many agricultural programs: commodity price and income supports; export and trade; domestic and foreign food assistance; research and extension; conservation and credit; and others. Congress faces hard choices this year. Members are aware of the depressed farm economy, declining farm income, and the poor farm export record. But proposed farm subsidies will cost more than budget restraints allow. Members are having trouble developing programs that restore our export competitiveness, assure a decent income for farmers, and meet the overriding need to cut the budget deficit.

Since the House and Senate Agriculture Committees have not completed drafts of the farm bill, it is difficult to guess what the final bill will contain. Some judgments can be made. A move toward market orientation in farm commodity programs, probably in the form of loan rates based on a moving average of market prices in recent years, is likely, although this change will be weakened by eliminating the extreme years, by setting minimum loan levels, or by high target prices. Deficiency payments and a freeze on target prices will probably be approved, as a trade-off for lower loan rates. Payment limits to producers are not likely to change much from the current level of $50,000. Production controls through acreage set-asides and payments to farmers to divert land from production, a long-term conservation reserve, penalties on "sodbuster" farmers who cultivate highly erodible land, and research programs are likely to be approved. Mandatory acreage controls, which would require farmer referendums, seem to be losing support. Export credits and promotions will be bolstered. Few changes are likely in farm credit programs.

Each time Congress writes a new farm bill we are told that American agriculture is at a crossroads. The year is no different. Times are hard in agriculture, with farm assets declining, exports slumping, and farm income stagnating at unacceptably low levels. Congress is wrestling with the farm bill at a time when the governmental role in agriculture is in question and as agriculture reacts to changed international conditions. Under such circumstances, Congress must make every effort to help, but expectations of what it can accomplish should not be exaggerated.

UNITED STATES-ISRAELI STRATEGIC COOPERATION

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. CRANE. Mr. Speaker, while it is true that each year we give large amounts of economic and military assistance to the State of Israel, I happen to believe that it is in the best interests of the United States to continue this assistance to Israel. In addition to Israel's important geostrategic position in the world and its political stability, there is also another very important reason for fostering good relations with Israel, one that is often ignored. Israel has been an excellent, indeed unparalleled, testing ground for U.S. weapons and technologies. No other country in the world has been more helpful to the United States in analyzing the efficacy of its weapon systems as well as the deficiencies of Soviet weapons systems.

Take, for example, the 1981 Israeli operation known as Peace for Galilee. In the space of several days, the Israelis destroyed more than 90 Syrian Mig's, more than 20 SAM sites, and more than 500 Soviet-made tanks, including the new T-72. New U.S. technology, relatively untested in combat conditions prior to Operation Peace for Galilee, was literally baptised by fire, and came through with flying colors. Not only did this enhance the U.S. position as an exporter of arms, it also provided much needed intelligence as to the relative capabilities of our systems vis a vis those of the Soviets.

Mr. Emanual A. Winston, a board member of the Jaffee Center for Strategic Studies at Tel Aviv University, details some of these positive aspects of our strategic relationship with Israel in his article entitled: "Theatre for American Technology." I highly recommend his article to my colleagues.

JINSA—THEATRE FOR AMERICAN TECHNOLOGY

(By Emanual A. Winston)

(Ed Note: Mr. Winston is a Chicago businessman, Board Member of the Jaffee Center for Strategic Studies at Tel Aviv University, and contributing Editor to Israel Today)

The importance of American and Israeli strategic cooperation cannot be overstated in terms of national security interests. Yet, there is nother aspect of the allied relationship that is often overlooked; the micro-economics of Israel as a theatre for American technology.

America's armament industry has immensely benefited from the successful utilization by the Israel Defense Forces of sophisticated weaponry. The magnificent fighting skill and showcasing of American equipment increased the export sales potential of that weaponry by billions of dollars in the world market. The effect of Israel's military reputation established by 35 years of combat experience serves as the best testament to the selection and capability of weapon systems, most of which are of American design. In a highly competitive export market, being able to refer to the Israeli example is a very strong advantage over other merchants. Since foreign military sales are almost 2.5 times as profitable as military sales to the U.S. government, this "selling" factor reaps big dividends. The capital accumulated from these sales in turn reduces research and development costs for our government, hence the American taxpayer. The economic ramifications are evident in that each billion dollars worth of foreign arms sales translates into jobs for American industry, (the claim often made is approx. 42,000-52,000 jobs). Based on 1980 data, defense firms such as General Dynamics, Northrop, Raytheon, FMC and Harsco had 25 percent of their contracts in foreign sales. (Defense & Foreign Affairs, March 1983). Thus, the employment benefit of defense and export sales are substantial and the reduced costs to the American government by extending production runs and spreading development outlays has strong positive economic ramifications.

The direct effect of Israeli battle perfomance for American sales was best evidenced by the Operation Peace For Galilee. In a span of a short time, the Israelis demolished more than 20 SAM missiles sites, over 90 Syrian MIGs were shot down (including MIG-23s) and over 500 enemy tanks were destroyed (including the new T-72, backbone of the Soviet arsenal). American-made planes played a vital role in the Israeli effort. Most notably, the F15 and F16 saw extensive action. One Israeli F15 was claimed to have shot down more than 20 Soviet-made MIGs in Lebanon.

In addition, the Hughs 5000MD Defender combat helicopter proved a great asset for the Israelis in mountain warfare, destroying large numbers of Syrian tanks, as did a second anti-tank helicopter, the Bell AH-1S Huey Cobra. After the Israelis purchased advanced helicopter gunships, several other countries immediately followed suit (the Jordanians, South Koreans, Kenyans decided to go with the American gunship rather than the British, French and German models). This trend was also evidenced with the Japanese purchase of the Gruman E2C Hawkeye early warning plane which followed Israels suit. Moreover, after the Israeli display of EC mastery in the skies, several other countries have placed orders with the American manufacturer.

James Philbin, the E-2C program director at Gruman Aerospace corporation said Israeli air victories generated prospects from China, Korea, Singapore, Spain, Australia and others. He commented in the September 20, 1982 Business Week that because of the Israelis, "The foreign sales potential looks like 30 to 40 airplanes over the next five years." The Chairman of Loral Corporation also confirmed the importance for American manufacturers of Israeli "combat provern" technology when he stated that: "The fact that Israel has selected our Rapport III (EW protection system) for their F-16s is probably the best sales tool we have." The showcase of the F16 in combat no doubt will also prove highly beneficial in selling the plane to foreign countries over the French Mirage 2000. It should be noted that tour powers, the United States, Great Britain, France and the Soviet Union account for approximately 80% of total arms sales.

The failure of Russian weaponry to thwart the IDF disappointed several Soviet arms clients. Since arms sales are a means of promoting political influence and provide a steady flow of hard currency, the implications of American weapons superiority may have a direct impact on American power projection capabilities, ergo national security interests. The Israeli contribution to this aspect of American active defense is perhaps the most important and overlooked development of bilateral strategic cooperation. Israeli destruction of Soviet-built anti-aircraft missiles, their ease in destroying the Soviet T-72 tank and the downing of a MIG-25 Foxbat has caused the Soviets and the entire Warsaw Pact to question the viability of their own military hardware, tactics and strategy.

The Israelis not only confronted Soviet weaponry, but were forced to engage Western technologies; the lessons of their successful combat will provide invaluable intelligence data to U.S. defense planners and save billions research and development costs, a major advantage for the U.S. that her Soviet adversary cannot claim. Professor Steven L. Spiegel sums up the Israeli asset in real terms: "The facts speak for themselves. Israel is a unique and impressive ally. It influences political developments in its own area, causes the Soviets embarrassment and military lessons which can be learned only from combat experience, provides intelligence in the region, and saves U.S. defense costs through innovations and modifications of U.S. weaponary . . . if Israeli experiences were worth only 2 percent of the annual U.S. defense budget, that would amount to over $4 billion." (Commentary, June 1983)

The relationship between the American and Israeli defense industries is becoming increasingly developed in almost every area. Almost every Israeli corporation utilizes parts and equipment that were manufactured in the United States. Moreover, Israel has made extensive renovations on American technologies by adapting the lessons of combat experience. Thus, millions are saved in testing time and the development of armaments are galvanized through Israeli innovation passed on to America. Many of the licenses for weapon features are in turn sold to American corporations for mass production. The bottom line is that Israeli modifications coupled with cedible experience in destroying the best in Soviet technologies has enhanced the performance of American weaponry, reduced development time and taxpayer costs, thereby contributing to the readiness of U.S. Armed Forces in a period when budget cuts have severely reduced their functional capabilities.

For military planners, Israeli intervention in Lebanon conveyed that the American ally has approached mastering the overall electronic battlefield capability that will dictate the strategem for all future conflicts. The prospects of future American-Israeli strategic cooperation will significantly strengthen the defense industrial base of both nations. Joint development projects employing Israeli battlefield innovation and American production capabilities should be the trend of the future. Teamwork between trusted allies will serve as a catalyst for upgrading the Western world's power projection ability reducing the intimidation factor of the Soviet threat. Indeed, Israel has been a theatre for American weapons technology and defense industrial growth. The microeconomic elements of the relationship, should not be treated lightly. No other ally has contributed so greatly to American defense in so many different modes: intelligence, research and development, combat readiness, expansion of defense industrial base, export competitiveness and strategic deterrence.

A reliable democratic partner is more than an asset in a Western alliance plagued often by apathy, isolationism and laziness. America should be thankful for the "Israel advantage."

A TRIBUTE TO WADE H. INSLEY, JR.

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DYSON. Mr. Speaker, I rise today to honor the memory of a fellow Marylander, Wade H. Insley, Jr. A native of Wicomico County, Wade greatly contributed to the quality of life in his community.

I knew Wade to be a good and kind man whose involvement in community affairs was both broad and deep. A graduate of the University of Maryland at College Park, Wade was owner of Eastern Food Distributors, Inc., in Salisbury which he operated for about 24 years. He was on the Wicomico County Council for 24 years and president for 12. In addition, Wade was city treasurer for 8 years, a former president of the Maryland State County Commissioners Association, and was instrumental in establishing Pine Bluff Village, serving as its first chairman and for several years as director. As a member of the Bethesda Church he had formerly served on the administrative board and was chairman of the finance committee, as well as a member of the Democratic Club of Wicomico County.

For his untiring and unselfish service to the people of his community, Wade received three distinguished awards. In 1965 he received the Wicomico County Teachers' Association Award in recognition of "inspired and unselfish support to education in Wicomico County," and in 1974 was presented a special Certificate of Recognition from the National Conference of Christians and Jews for "outstanding contributions promoting the cause of goodwill and understanding among all people of our Nation." Wade also received a Certificate of Distinguished Citizenship from Maryland Gov. Marvin Mandel for his "distinguished contribution to the cause of strong efficient county government in Maryland."

It is an honor to pay tribute to a man who did so much to strengthen our democratic traditions. And it is with pride that I share Wade's many accomplishments with you today.

PITTSBURGH SOCCER CHAMP RECOGNIZED

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. WALGREN. Mr. Speaker, a constituent of mine, Peter J. Smith III, is the first western Pennsylvania soccer player to be invited to the National Sports Festival by the U.S. Olympic Committee. The National Sports Festival, a pre-Olympic event, was held in Baton Rouge, LA, from July 22 through August 4.

Peter Smith is an outstanding young man with a promising future in soccer. In the fall he will be a senior at the University of Tampa, where he has just received an achievement award for academics for the fourth consecutive year.

I would like to share with my colleagues an article about Peter which was published in the Pittsburgh Post Gazette South on July 25, 1985.

The article follows:

[From the Pittsburgh Post Gazette South, July 25, 1985]

USC'S SMITH AIMS FOR PRO SOCCER JOB

[By Paul Dangelo]

The only thing that Pete Smith has ever wanted is a chance to prove himself on the soccer field. Next month at the National Sports Festival, he'll get that chance.

Smith, a graduate of Upper St. Clair High School, was recently selected to play for the South Region soccer squad at the Sports Festival, an American mini-Olympics pitting the top American athletes against each other in Olympic events.

For Smith, it's an opportunity to prove that he belongs on the field with this country's top soccer players.

"I felt it was really important for me to make this team if I want to continue to pursue a career in soccer," said Smith. "There will be a lot of important people at the Sports Festival, coaches and scouts from professional teams and the national federation, evaluating players. The Sports Festival is like a stepping stone to the next level, to playing for the national team or with a professional team. Just being there and being seen by these people will help me."

Smith was drafted by the Spirit of the Major Indoor Soccer League when he was a senior in high school, but was not ready as a 17 year old to step into the play-for-pay grade. The Spirit advised Smith to enroll in a top-notch college program and work at improving his skills.

So Smith headed for the University of Tampa, one of the top soccer programs in the country. At Upper St. Clair, Smith had always been an attacking player, a playmaker and a goal scorer. But Tampa Coach Jay Miller changed Smith's position, moving him to defensive midfielder. Smith will be entering his senior season this fall, the third season that he will be a fixture in Tampa's starting line-up.

"We're looking for all of the things from Pete that we always look for from a senior player," said Miller. "He's been in the big battles, the crucial games; we want him to be a leader, to demonstrate coolness and determination on the field. He made the transition to playing with more defensive responsibilities without any problems. Last year, we used him to mark the opponent's top playmaker and he handled the job very well."

Miller is the coach of Smith's South squad in the National Sports Festival and agrees that the games can help make—or break—a career in professional soccer.

"The idea of the games is to get the best athletes together and compete under Olympic conditions," said Miller. "In soccer, the United States Soccer Federation oversees the soccer competition and uses the games as part of the selection process for the national team.

"I know that Pete wants to play pro soccer and playing at the Sports Festival will give him the opportunity to prove that he can play at such a high level of competition. He tried out for the games two years ago but didn't make it, though he was one of the last cuts. Now is his chance. I think he certainly merits a look. He's been around the game a lot and he has good instincts for the game instead of just reacting to a situation in a game. He's always thinking on the field. And he's one of the hardest working players I've ever seen. He's a 90-minute player."

Smith didn't think he had any special advantage in making the Sports Festival because Miller is the South coach.

"He may have known me better than some of the other players, but there were as many disadvantages as there were advantages," Smith said. "It's kind of like playing for your father. He didn't cut me any breaks just because he knew me. I think I made the team because I deserved to. I've worked hard to accomplish this sort of thing in soccer."

Smith has not only set lofty goals for himself, but for his team as well.

"This is my last year at Tampa, and the last year for the school as a Division II school. Next year we'll move up to Division I, which is fine because Tampa has been playing a Division I kind of schedule all along. But I'd really like to win the Division II national championship this season. It would be nice to go out as the champs."

And when that's over, Smith will have the MISL draft to look forward to. One team that will not be drafting Smith is the Spirit, because they failed to sign him after drafting him out of high school. MISL rules state that the Spirit may only sign Smith now if he passes through the draft unclaimed.

"I really want to play for the Spirit but that may be difficult to do now," said Smith. "But as long as I get a chance to play with someone, I'll be satisfied. I'll have to prove this year that I deserve to be drafted, that I'm one of the top players in the country. And I'm ready to do the work that it will take to prove exactly that.

"Maybe down the road something could be worked out that I could come back here and play for the Spirit. Right now there's a lot of talk that the Spirit will move to another city. I hope not. The Pittsburgh soccer community needs the Spirit. Having a professional team in town gives young players a goal to aim for. Plus, the Spirit has reached out and touched the community in a very unique way and I think that would be missed if they were to leave."

"We've watched Pete carefully over the last few years and his development is really coming along," said Spirit General Manager Chris Wright. "We're very pleased that he was selected to participate in the Sports Festival. He's on the right track to accomplish his goal. This is one event where all of the coaches and scouts get to. It's the showcase of young soccer talent in this country."

And it's an opportunity for Pete Smith to guarantee that soccer will be in his future.

HIROSHIMA AND NAGASAKI: TRAGIC BUT NECESSARY

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. BROOMFIELD. Mr. Speaker, while many in recent weeks have criticized the decision to drop nuclear weapons on Japan, it was, in fact, the right thing to do.

We in a peaceful and secure America find it easy to play Monday morning quarterback by denouncing the decisions of the brave Americans who guided our country through some of the darkest hours of World War II.

In recent days, the media has been filled with an orgy of stories about the bombings of Hiroshima and Nagasaki and the ensuing loss of so many lives. Surviving Japanese Government officials have recounted the gruesome details of the nuclear attacks and have questioned the U.S. Government decision to use those weapons of mass destruction.

The general impression created by the media was that America was the villain and that Japan was, in those days, a peace-loving little island nation that was attacked for no reason. Let's be honest, however, and talk about why the bombs were dropped.

As part of a massive effort to project its power into the Pacific, Japan invaded many of the countries in that area and quickly established a brutal reputation for itself among those who suffered under Japanese occupation. While talking peace with the United States, Japan attacked Pearl Harbor.

After a long and hard war that the United States neither started nor wanted to fight, President Truman wisely chose to quickly end the war. Other options had been carefully studied. A land invasion would have taken at least a million lives. The fanatical Japanese military had taken control of the Japanese Government and would not let reason prevail. Surrender for the generals was unthinkable. A fight to the last man was their final option.

While plagued with problems, the Japanese military had a large scale nuclear weapons program underway. After the war, senior Japanese scientists admitted that their Government officials would have used the bomb against America if it had been available.

When faced with these sobering realities, is there any wonder that President Truman did what he did? Even after the first bomb was dropped, Japan still hesitated to give up. Finally, however, the second atomic weapon convinced them, and peace came.

Yes, the decision to use those terrible weapons was a sound one. I want to share an insightful Washington Post editorial on this subject with my colleagues in the House. I also want to pay a special tribute to those who served, fought and died, so all of us can enjoy the fruits of freedom.

WE ENDED A TERRIBLE WAR—RATHER THAN ACT GUILTY, WE SHOULD HOLD A GRAND V-J DAY PARADE

(By Richard Harwood)

I am tempted to imagine myself this week as Shakespeare's old King Lear, stumbling across the heath and howling futilely into the storm: "Thou art not more unkind than man's ingratitude."

We are in the process of observing the anniversary of one of the great events in the history of our country and in the history of the world—the conclusion of World War II and the victory of the democracies over the fascists of Germany and Italy and the militarists of Japan. I cannot imagine what our world would be like if we had lost that war. But, at the minimum, one can fairly say that it is unlikely it would be a better or happier place.

This ought to be, therefore, a joyous and satisfying anniversary. We brought to an end 40 years ago a terrible war—terrible beyond contemporary comprehension. No one knows precisely how many people died; 100 million is probably as good an estimate as any. This carnage all stopped on Aug. 14 and the human race was given a fresh opportunity to restore itself and the planet we inhabit. It was a glorious day.

But instead of celebrating, this month, we have been engaging—at least through the popular media—in endless self-flagellation, a kind of psychological hara-kiri. A child or a visitor from another planet would assume from what has been printed and shown to us by television that World War II consisted of a single event: the dropping, for no earthly reason, of two nuclear weapons on the innocent people of Japan.

It is as if little or nothing had gone before, as if a million of our comrades and many millions of our allies had not fallen in battle in fields and oceans all across the globe in order to bring us peace. The expressions of "bomb guilt" have not reached the stage of on-camera immolations at the White House gate but there have been a funeral tolling of church bells, symbolic acts and demonstrations of contrition and endless footage of Hiroshima and Nagasaki.

It is appropriate to mourn the war dead, whether they died at Hiroshima or Bataan or Stalingrad or Auschwitz or Pearl Harbor. But it is also appropriate to remember and to give thanks for the victory that was won.

What we should be doing this week, all over America, is staging the last, grand parade. There will not be another chance. When the 50th anniversary comes along all but a few of the veterans will be infirm or dead. So we should have assembled the old regiments, brigades and divisions, the crews from the ships of the line, the aviators and submariners.

We should have stuffed ourselves into those old uniforms, pinned on the ribbons and medals, hoisted the battle streamers and stepped out down Pennsylvania Avenue, struggling to keep pace with the bands. We would salute absent friends. We would savor the victory and the peace that it won. We would embrace one another and say our goodbyes. And we would say to our sons and daughters: "For all our defects, the world survives. Now it is yours. Take care of it."

That is the way to celebrate this magnificent anniversary—not with a whimper but a bang.

A TRIBUTE TO JAMES A. McNAIR

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DYSON. Mr. Speaker, I would like to take this opportunity to salute James A. NcNair for his 30 years of distinguished service in the U.S. Army. Having held the position of command sergeant major of the Test and Evaluation Command at the Aberdeen Proving Grounds since 1981, James returns to civilian life this month.

For James McNair, military service has been both challenging and gratifying. McNair's assignments included duty in Alaska, Europe, and Korea. Among James' many awards and decorations are the Meritorious Service Medal with two Oak Leaf Clusters, Army Commendation Medal with three Oak Leaf Clusters, Good Conduct Medal, National Defense Service Medal, Armed Forces Expeditionary Medal, and the Expert Rifleman Badge.

On the occasion of James McNair's retirement, I extend my congratulations to him on his many accomplishments and wish him well in his future endeavors. His outstanding service to his country will long be remembered by his fellow soldiers and is greatly appreciated by his fellow Americans.

NUTTY BUSINESS AT THE ICC

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. CRANE. Mr. Speaker, as you know, Government regulations are very difficult things to eliminate. Once they are on the books, they take on lives of their own. Federal regulation almost always benefits some select group at the expense of the general public, and these special interest groups become very aggressive in protecting their advantageous status. President Reagan is committed to limiting regulation, but progress on reform has been mixed. Consequently, where there have been notable victories, we do well to note the ingredients necessary for success and to acknowledge the contribution of those who made it possible.

Perhaps the most conspicuous victory of the last 5 years has been the deregulation of surface transportation. In 1980 Congress wisely passed two laws—the Motor Carrier Act of 1980 and the Staggers Rail Act—that created the potential for meaningful reform of the strangulating bureaucracy that the Interstate Commerce Commission had become. But the reform laws inevitably committed important areas of implementation to the discretion of the Commission, and a failure of will on the part of the Commissioners could have stymied real progress toward a competitive and efficient market. Fortunately for the Nation, there

has been a majority on the Commission since 1982 that has fought willingly for reform. This majority has produced enormously beneficial results, despite intense criticism, constant foot-dragging, and not infrequent arm-twisting from colleagues special pleaders, and even a few discomfited legislators.

Let me take just a moment to mention a few of the many reform achievements that are the product of this reform-minded majority. The railroad industry is back from the edge of nationalization, serving its customers with speed and innovation. Tens of thousands of new trucking companies have been licensed, leading to a competitive rate level and the end of the take-it-or-leave-it attitudes that characterized the service of monopoly preserves. Intermodal transportation has been freed from restraints on pricing and multimodal ownership in ways that have brought new capital into the field and fostered new enterprise. Shippers and carriers, rail and motor alike, are turning increasingly to the use of contracts rather than rate lists, with the result of mutually exempting their business from regulatory interference. The tariff regulations in the Federal code have been reduced from over 300 pages to under 60, and a whole sector of the trucking industry has been excused from filing altogether. The ICC staff has been cut in half.

The benefits of these and the many other accomplishments of the Commission's majority have been enormous. One observer, an executive of an established trucking firm and a student of transportation logistics, estimates that deregulation of transportation cut $40 to $50 billion from the cost of doing business in 1985. While not everyone will agree to any particular figure, the recognition of the gains from deregulation is widespread, and President Reagan indicated his strong support for further transportation deregulation in his recent State of the Union address. What is not so widely understood, however, is that not all the gains from deregulation came automatically from the laws passed in 1980. What was also needed was farsighted and determined interpretation of those laws.

Consequently, I rise to acknowledge three members of the Interstate Commerce Commission, Frederic N. Andre, Heather J. Gradison, and Malcolm M.B. Sterrett for their consistent, energetic, and courageous efforts on behalf of the cause of free enterprise and responsible, limited government. President Reagan is to be commended for appointing these individuals, and the Commissioners deserve an expression of gratitude for the job they have done. I urge them, and their colleagues, to continue to pursue the congressional mandate for reform. I also urge my colleagues here in the House to read the following editorial by columnist Donald Lambro that appeared in the Washington Times.

[From the Washington Times, Mar. 21, 1985]

NUTTY BUSINESS AT THE ICC

(By Donald Lambro)

The cash crunch at the overstaffed Interstate Commerce Commission has renewed a perennial question that Congress must soon answer: Why, in the midst of $200 billion deficits, is this regulatory anachronism being kept alive?

After deliberately spending more than Congress appropriated for its fiscal 1985 operations, the ICC is now pleading for an emergency $4.5 million supplement. If Congress refuses, ICC Chairman Reese H. Taylor Jr. warns, nearly 1,000 employees will find themselves being furloughed one day a week, without pay, beginning April 1.

That prospect sent shudders through South Dakota Sen. Larry Pressler, an ICC supporter who in a "Dear Colleague" letter said denial of the added funding "would destroy the ICC. By putting them out of business one day a week, you might as well close them down."

That would not only bring cheers from deregulators in and out of Congress—like Wisconsin's Sen. William Proxmire and Budget Director David Stockman—but from liberal crusader Ralph Nader, who has long opposed the ICC's corporate welfare for the big trucking industry.

Unfortunately, the truth that many lawmakers can't bring themselves to face is that if Congress closed down the ICC, few people outside of Washington would notice. Not only would its elimination save taxpayers $48 million a year, it would put an end to a host of Rube Goldberg rail and trucking regulations that prevent competition, inflate shipping costs, and contribute to higher consumer prices.

At a time when the benefits of deregulation in the airline and energy industries are manifestly apparent, it is ludicrous for trucking entrepreneurs to have to seek approval from Washington to haul frozen pizzas from Massachusetts to Arkansas.

The degree to which this agency involves itself in the commerce of our nation is stunningly illustrated in a recent ICC booklet, titled *Can They Do That?* It details which commodities are exempt from ICC regulation and which are not.

For example, take manure. In its natural state, dehydrated, or bagged, the ICC says it is exempt, which means it can be shipped without an ICC certificate. But try trucking manure that is "fermented, with additives such as yeast and molds, producing a rich liquor which in water solution is used for soil enrichment" and you'll have some ICC agents on your case.

Similarly, grass sod, plants, vegetables, and flowers are exempt, but maple syrup, frozen beef dinners, and french-fried potatoes are not exempt.

Dried fruits such as figs and dates are exempt, but grind them up into a paste or mix them up with other substances and they are not.

Or consider, appropriately enough, nuts. Cashews, roasted or cooked, or peanuts, roasted and salted in the shell, are not exempt, but macadamias and pistachios are exempt.

The ICC has hundreds of highly paid people working full time on such things. Indeed, there are 50 ICC field offices scattered around the country that are authorized to crack down on anyone foolish enough to haul the hundreds of unexempted products that cannot be shipped without explicit ICC authority.

"There are about 250 people out there in our field offices," ICC Commissioner Fred Andre told me, "but their work is largely anachronistic. Some of them are doing little more than sending us newspaper clips."

In order to transport ICC-regulated commodities legally, shippers must first enter a closed, incestuous world. They must hire an ICC-approved lawyer to apply for certificate authority to haul goods, maintain insurance with the ICC, keep their rates on file with the commission, and meet a number of other requirements.

Because of partial ICC deregulation begun in 1980, "America's transportation industry is infinitely better off today than it was four years ago," says Mr. Andre.

Now Congress must take the next step and eliminate this useless and counterproductive agency.

TAX REFORM UPDATE

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, September 4, 1985, into the CONGRESSIONAL RECORD:

TAX REFORM UPDATE

As Congress returns from the August recess, one of the major items on its agenda is tax reform. Hundreds of witnesses have testified on aspects of the President's plan, and dozens of analyses have been released. Contrary to some pronouncements that tax reform is dead, chances for passage of a tax reform package this year seem to be improving, at least in the House. The plan the President submitted in May will be the starting point, but some reworking by Congress is expected. The central theme of his proposal to make the tax code fairer and simpler—trimming tax provisions that benefit special groups in order to reduce overall tax rates—is expected to remain intact, but specific provisions might be altered by Congress. Many of the likely changes seem to me to be improvements.

One change, endorsed by both the President and the congressional tax-writing committees, is to make the plan more revenue neutral. The Joint Committee on Taxation recently estimated that the President's plan would result in a $25 billion revenue loss over the next 5 years. Although this loss is less than 1% of anticipated revenues, there is broad agreement that the plan should not increase the federal deficit at all. The President is submitting additional proposals to make up for this projected shortfall.

Of the scores of changes proposed in the President's original package, the main ones are: elimination of the state and local tax deduction for individuals; termination of the business investment tax credit; and the recapture of windfall profits from businesses that deferred past taxes and now could repay them at the new lower tax rates. Together these three provisions would raise $363 billion of the $442 billion needed over the next 5 years to finance the proposed corporate and individual tax rate cuts. The large sums make it unlikely Congress will simply drop these provisions, but some changes are possible, especially in the recapture provision and in the state and local tax deduction. Only 2% of families earning less than $20,000 take the state and local tax deduction, compared to 80% of families with incomes exceeding $50,000. But critics argue that eliminating the deduction will cause state and local governments to lose needed revenue. Alternatives under discussion include excluding only some of the state and

local taxes from the preference, or trimming the deduction for richer taxpayers. Concern that the President's recapture provision is a retroactive tax might lead to replacing it with less generous depreciation schedules for business.

Other changes being considered by Congress involve much less revenue than these three parts of the plan. Some changes are proposed to improve the plan's fairness or economic efficiency. Such changes will not be easy to make, as the Chairman of the House tax-writing committee insists that all amendments be revenue neutral: anyone proposing to restore one tax break must find a way to make up for lost revenue by trimming another. Nonetheless, several changes are expected to be seriously considered in committee.

The most likely change on the House side is a reduction in the difference of the tax cuts between middle and upper-income taxpayers. Critics point out that under the President's plan, one-earner families with more than $200,000 in income will receive an 11% tax cut while those earning between $30,000 and $50,000 receive on the average only a 6.5% cut. Possible changes are: adding a fourth tax bracket for the wealthiest taxpayers; or dropping the President's proposal to cut the top capital gains tax rate for investors.

Another "fairness" issue is to reduce the tax plan's burdens on families in which both spouses work, perhaps by retaining the child care credit or offsetting the repeal of the "marriage penalty" deduction. Support is also increasing for strengthening the minimum tax. Despite closing many tax loopholes, the President's plan retains many incentives that could permit some high income individuals and corporations to pay little or no tax. A stronger minimum tax would help ensure that all pay a fairer share.

Other changes receiving serious consideration by Congress include: achieving more balance in the energy tax provisions (the President would eliminate incentives for renewable energy and restore $30 billion in tax breaks over 5 years for oil and gas producers); revising the President's tax on the first few dollars of health-insurance premiums, possibly by replacing it with a generous ceiling on the amount of tax-free benefits; revising the proposed investment interest limitation, which higher income taxpayers with investment income can avoid, according to critics; phasing in the doubling of the personal exemption; and revising the proposed capital cost recovery system for business. Another tricky issue will be the effective dates and transition rules for the various changes. If the changes are phased in to lessen their impact, rate reductions may also have to be phased in.

Action on the package is expected in the House first. Most key changes may be worked out in the Ways and Means Committee rather than on the House floor. To prevent the package from being gutted, the full House may have the opportunity to vote only on the entire committee package, with few or no amendments allowed. Passage is considered less likely in the Senate, where the President's plan has met with more opposition and where procedures are more open.

Even in the House, tax reform faces several hurdles. In addition to concerns about specific provisions, some members are worried about the impact of tax reform on the economy. Others feel that Congress should focus on the budget deficit instead of on tax reform. The key factor in passage is presidential leadership; If the President pushes hard for tax reform, he might get it; if he doesn't push hard, he won't. Those of us who support the goal of tax reform are hopeful that real progress will be made in upcoming weeks on one of the most significant tax reform efforts in decades.

AGRICULTURAL EDUCATION IS CRITICAL

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DAUB. Mr. Speaker, earlier this summer, I had the privilege and opportunity to attend the 1985 State Presidents Conference of Future Farmers of America [FFA].

Mike Barrett, FFA's national vice president from Mead, NE, spoke to us about the challenge of American agriculture and the importance of quality in agricultural education and in our high schools' vocational agriculture departments.

Mike's remarks are enlightening and instructive, and I take this opportunity to share them with our colleagues:

PRESENTATION AT THE 1985 CONGRESSIONAL LUNCHEON, STATE FFA PRESIDENTS' CONFERENCE, WASHINGTON, DC

Today is a very special day for the young people in attendance. It isn't often that we have an opportunity to share a meal and conversation with those whose wisdom, authority, and expertise affect the lives of all Americans daily. We are honored to have you with us.

This group of FFA members in attendance has been selected by their peers to lead our organization. Here this week at the FFA State Presidents' Washington Conference Program are the top leaders from all 50 states and Puerto Rico. They represent over 430,000 Future Farmers of America in 8,300 secondary schools across the country.

Their peer group is comprised of young people, ranging in age from 14-21, who are the products of a very complete vocational education program. This program is composed of three basic divisions that not only overlap with one another but are actually bonded together. They include: vocational agriculture or classroom instruction, Supervised Occupational Experience Program and the Future Farmers of America organization. This total vocational agricultural program branches off into many fields of agriculture.

Perhaps never before has there been a greater awareness of the need for vocational agriculture/FFA than now when American agriculture faces a multitude of seemingly unsurpassable challenges. This awareness has been conceived from the realization that quality in agricultural education is a duty and not a luxury. A duty brought about by the need to prepare students for the diversity of our country's proudest and most vital industry, American agriculture. We accomplish this by developing applicable and employable competencies and preparing students for higher educational aspirations.

The demand for quality in agricultural education is merging head on with the strides that are currently being taken by the 8,300 vocational agriculture departments in our high schools across the country. This group, composed of energetic young Americans, is rising to the occasion and challenging the adversities that our current agriculture crisis imposes.

It is a quest for success that backs basic academic skills, such as mathematics, English, biology and chemistry, reinforced in the vocational agriculture classroom, with a proven system of realistic application in an actual agricultural occupational setting.

This setting is supported by the philosophy that entrepreneurship is not something that can be acquired through a number of lectures and readings. It is learned through observation and participation and by being exposed to the risk-taking that agriculture requires. We call this 68-year-old innovation a Supervised Occupational Experience Program.

The strategy behind vocational agriculture is based on a well-established principle in which students make independent decisions and are encouraged to take initiative. While this form of vocational education is seldom mentioned by policy analysts, it may very well be the principle that rises above the opponents of vocational education and points the way for implementation of essential educational reforms.

Much of the success of the vocational agriculture/FFA program can be directly attributed to the efforts that have been made to keep abreast of technological advancement. The use of computers, through realistic application of acquired competencies, is one example of our determination to maintain quality in agricultural education.

The need for this determination becomes even more apparent when we consider that today vocational agriculture is often criticized for training farmers when the demand for farmers is definitely declining. Our response to this lies in the fact that today's vocational instruction is comprised of many classes; which may include horticulture, ag mechanics, marketing, processing, and agribusiness.

These classes and others build the competencies needed to meet the diversity of a vast agriculture industry.

Finally, our quest for success matches an educational program that has been proven over the years through past experience and accomplishments (vocational agriculture courses were established in 1917) with a flexibility that allows innovation and foresight to guide the way to infinite possibilities in the future. We realize that true economic and political power of a nation depends vastly on the education of its people. By virtue of the standards that have been set with our three components of the vocational agriculture program, we prepare young people for life, building character and creating productive and useful citizens while at the same time preparing Leaders for the New Fields of Agriculture.

THE 50TH ANNIVERSARY OF RAILROAD RETIREMENT

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. PANETTA. Mr. Speaker, I rise today to pay tribute to the anniversary of a progressive retirement system that has served

millions of Americans in its 50Yyear lifetime—the Railroad Retirement System.

On August 29, 1935, President Roosevelt signed the Railroad Retirement Act. This legislation, enacted only 2 weeks after the landmark Social Security Act, was unique in a number of respects. The railroad industry had already instituted retirement programs which had been operating successfully for 50 years or more. The benefits which had been accrued by railroad workers up to that point had to be added on their new Social Security benefits, so a separate system was devised which would honor these private service credits.

Administered by the Federal Government through the Railroad Retirement Board, the program operates on a two-tiered system. Tier I is identical to Social Security; payroll taxes are deducted from the paychecks of railroad employees, and their benefits are computed according to the same formula as for those on the Social Security system. Tier II is a private pension program providing additional benefits above and beyond the Social Security level.

The success of this retirement system can be seen by looking at the numbers of individuals served. Since its inception, $77 billion in benefits have been paid out to 4 million railroad workers and their family members. Currently 460,000 employees are paying taxes into the fund, and 1 million are receiving benefits. The Railroad Retirement Solvency Act of 1983, along with recent increases in the number of railroad workers, has secured the financial stability of the system.

The guarantees this system has provided railroad employees has served to reassure millions of families over the years. The system embodies the kind of protection that all retired Americans deserve, so that they may enjoy the fruits of years of hard labor and dedication. I ask my colleagues to join me in celebrating this historic and significant anniversary.

IN PRAISE OF NATICK LABS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. FRANK. Mr. Speaker, the U.S. Army Research and Development Laboratories in Natick, MA, has, over the years, been quietly doing excellent work researching materials and equipment that provide for the comfort and safety of the American soldier. Unlike the sophisticated weaponry that draws so much attention, both when it works and when it fails, Natick Labs concentrates on the mundane, but equally necessary items such as field rations, boots, all-weather gear and other equipment without which army cannot function.

Recently, however, Natick Labs has received some well-deserved attention over a development that provides both comfort and safety to our soldiers—the Kevlar helmet. As the following article from the Washington Post explains, this helmet has become, among soldiers, the most popular new piece of equipment ever provided. I am proud to have Natick Labs in my district. I am proud of the work they have done on this helmet and the work they do on a continuing basis providing for the needs of American soldiers. And I am glad they are receiving some well-earned recognition for their efforts.

I commend to my colleagues the Washington Post story that follows:

PASGT, MON ARMOR: FORM FOLLOWS FUNCTION IN NEW ARMY HELMET

(By Benjamin Forgery)

Although you don't see much of it on those upbeat "Be all that you can be" television commercials, the U.S. Army is fast acquiring a new image.

American combat-ready soldiers massed in review at Fort Ord, Calif., or spread in squad formations across fields in West Germany, or preparing to hurtle from aircraft in parachute maneuvers at Fort Bragg, N.C., no longer look like cartoonist Bill Mauldin's prototypical "Willie" and "Joe" of World War II, or the GI footsloggers in Korea or the kids afflicted with the thousand-mile stare in Vietnam.

What they do look like is a matter of some dispute, but the reason for the change is not: The troops of the volunteer Army, and the U.S. Marines, and Army Reserve and National Guard units across the land are being equipped with what researchers and bureaucrats call PASGT (pronounced pass-get), an acronym for Personnel Armor System for Ground Troops, the key elements of which are a ballistics protective vest and, above all, a new, molded, laminated Kevlar helmet.

The old M1 helmet, the "steel pot" born of necessity in the early days of World War II, is going, going and, quite soon, will be gone.

"This is absolutely the best helmet in the world today," engineer Philip Durand states unequivocally. "I guarantee if we show anybody what we did and why we did it, he will say, 'What a beautiful helmet.' "

Durand is half of the team largely responsible for the new design. Lawrence McManus is the other half. They work at the Army and Special Projects Branch of the Individual Protection Laboratory at the U.S. Army Research and Development Center in Natick, Mass., and between them, they estimate, they have accumulated more than 50 years of helmet research.

"We thought it out without any preconceived ideas," Durand adds. "It wasn't an artist's concept. It wasn't just something a general or two happened to like. It was a very logical, sequential, step-by-step, cause-and-effect development."

"Hey, we thought it looked like a Little League baseball cap," quips McManus.

Like Little League baseball caps and more potently, like German helmets from World War II, the silhouette of the new American combat headgear shows a pronounced dip from the edge of the visor to the line to the ear and neck. To many Americans inside and outside the Army this image conjures old hostilities and fears. It is the "Nazi helmet," the essence of Evil and Enemy. By contrast, the steel pot represents God and Country. And, as the new foot soldiers know all too well, you can't cook in the new helmet, and you can't shave out of it, either.

These factors, and the cost—$87 per unit compared with about $30 for the M1 helmet and liner—explain the lengthy delay in getting the PASGT helmet to the troops. Voluminous, painstaking research, initially intended simply to improve the steel pot, began in 1968. The design of the new helmet was fundamentally complete by 1974. Worldwide testing of the product was finished by 1977. Approval from the Joint Chiefs of Staff was granted in 1978. Yet procurement and distribution just inched along.

"I had difficulty getting it into the system because of the visual perception of it," recalls Vivian McKenzie, acting project manager for the Clothing and Individual Equipment Command of the Army Material Command in Alexandria, who was in charge of the initial distributions. But, she says, "the Grenada incident did it."

As part of the Army's Rapid Deployment Force, troops of the 82nd Airborne Division at Fort Bragg were the first to receive the PASGT helmets. Consequently, they were the first to wear the new issue on a combat mission, when President Reagan dispatched U.S. units to Grenada in the fall of 1983. Many Americans got their first view of the helmet in television and newspaper images of that operation, and the response perhaps prompted the Pentagon's low-key approach to any further publicity.

But the performance of the new equipment surpassed expectations. In two well-documented examples, the helmets stopped a vicious bevy of fragments from a 20 mm missile and a round fired from a Russian AK47 rifle. Although even the new helmet is not designed to protect its wearer from direct rifle rounds—"stopping that AK47 bullet was luck, like a Doug Flutie Hail Mary pass," McManus says—response was alacritous throughout the armed forces. Shortly thereafter, the Marine Corps, which until then had disdained the new helmet, put in its order.

Today, McKenzie says, distribution is proceeding rapidly, and by 1988, nearly 2 million PASGT helmets will be in use.

So the next time you see massed troops wearing steel pots on television or in the papers, they probably won't be Americans. They very well could be Germans, though. Soldiers in the Bundeswehr have been wearing a version of the M1 helmet ever since the West German army was reconstituted in 1956.

The question is, did the Germans know something we didn't back in World War II? Was their helmet intrinsically superior to the steel pot?

"No, their design just came about from an artist's concept," Durand says derisively. "In fact, in terms of ballistics it wasn't nearly as good as the M1. It was too close to the head and it had a terrible suspension system with a lot of metal components inside that became secondary missiles."

What about the broad, angled "skirt" around the German helmet? Didn't it offer more protection than the steel pot, with its narrow rim?

"No," Durand says. "That was a leftover from World War I, from trench warfare, when the soldier was in danger from being hit by falling rocks and debris from explosions. That's why the British 'pie plate,' the one we were using in Bataan, had the skirt."

Well, if the old German helmet was so bad, why does the new American helmet look so much like it?

"Actually, it doesn't, if you look closely," McManus says, and he's right, up to a point. The American helmet seems to fit the head better, it has a molded protrusion for the ears, and it lacks the distinguishing flare of

the "skirt." Even so, anyone with strong memories of World War II isn't likely to be so analytical.

The only positive aspects McManus and Durand see in the old German helmet are that "it was stable, because it sat lower on the head, and it provided peripheral vision." Those are but two of the many advantages that the pair see in the new American helmet.

"The philosophy of this program began with the obvious assumption that to attain maximum protection to the head one should cover the entire head," states a 1976 Army report, "Development of a New Infantry Helmet."

Common sense dictated that this medieval ideal was not suitable for the 20th-century infantryman. But McManus, Durand and their colleagues in various Army research organizations, setting out to design the first new U.S. helmet since World War II, were leaving nothing to chance.

"Every design aspect reducing the ideal coverage was documented by a corresponding study recommending such a cut or standoff," states the 1976 report. Thirty-two studies were conducted, involving everything from the sizes and shapes of human heads to ballistic material evaluation. The tests produced three U.S. patents, praise from the National Academy of Sciences and, not exactly presto, the PASGT helmet.

Sizing was a particularly nettlesome issue. The problem, say McManus and Durand, was that conventional data on the human head, including information the Army acquired by measuring the heads of 6,600 soldiers, does not take into consideration the vagaries of individuals head shapes. "Sizes just don't go up from 7½ to 7⅝ and so on," Durand says, "It's like a Miss America contest where the perfect measurements are 36-24-35—not one of those women will have all three of those measurements."

After several laborious false starts, McManus and Durand devised a "3-D numerical surface descriptor," a transparent hemisphere fitting over the head and equipped with needlelike probes to measure distance from the head at 27 points. The thing looks like an instrument of torture, but it provided the researchers with the information they needed—that is, it gave them three-dimensional data concerning head shapes corresponding to the voluminous two-dimensional measurements.

"In our eyes the heads actually were more important than the helmet," Durand recalls. "They became the basis from which we designed. The ideal helmet from the ballistic point of view would be a bathing cap, because it moves with the head and thus gives the greatest possible stability, and it presents the smallest target."

The sizing effort was characterized as "the most comprehensive anthropomorphic data-gathering program ever established for the head" by the National Academy of Sciences, and the awful-looking apparatus won McManus and Durand one of those three patents. As a result of this work, the new helmet, which comes in four sizes, fits much better than did the steel pot, and thereby helps to answer the three primary complaints from the field regarding the old helmet—stability, fit and comfort.

Concurrent tests were conducted on ventilation, one of them using a full-scale "copper man" to measure insulation values and "vapor transmission coefficients of clothing systems," and on "transient deformation"—"the distance a given material will momentarily deflect when impacted by a missile of known mass fired at non-penetrating velocity," or what a soldier might call a helmet's headache potential.

In other words, a hard bathing cap would be hot, uncomfortable, and would transmit an awful headache to its wearer when hit by anything larger than a small pebble. These tests proved that one-half-inch standoff for the head was adequate for ventilation and transient deformation in a helmet using Kevlar, the tough new polymer developed by Du Pont originally to replace steel belts in radial tires but whose chemical properties make it ideal for ballistics protection. (Kevlar is also used in the PASGT vest.)

At this point the researchers basically had the inside of the helmet designed. The information was passed on to a sculptor who prepared working molds, and tests continued concerning the exterior properties of the helmet—what shape would provide the optimum mix of visibility, hearing, weapons compatibility and protection—and on the suspension system.

When a prototype based on criteria established in these tests was first field-tested in 1974 at Aberdeen, Md., it received, according to Durand and McManus, the "highest level of troop acceptability of any item of clothing in Army history."

A surprising result of these tests, in view of the fact that a prime complaint about the steel pot was its heaviness, was that the new helmet was perceived as being lighter than the M1, even though its actual weight was about the same.

Why? "The center of gravity is lower, it's closer to the head and it just fits better all around," McManus says.

The result is a helmet with a built-in, adjustable suspension band and an outer shell made of 19 laminated layers of Kevlar. It covers 11 percent more of the head than the M1, provides better visibility and greatly increases stability and comfort. Most importantly, it increases protection. "It takes 2½ times the energy to penetrate this helmet as it does the M1," Durand states. "We can expect head casualties to be reduced by 25 to 30 percent in a given scenario" with the new helmet.

In addition, there are intangible advantages. In the first field tests, 11 years ago, soldiers equipped with the M1 and PASGT helmets ran parallel lines along obstacle courses. "The soldiers invariably took off the steel pot when they were done with the course," Durand recalls, "but many would just leave the PASGT helmet on. We knew we had a comfortable helmet then." In Vietnam quite a few casualties resulted from hits taken on helmetless heads. This is not likely to happen with the new helmet.

Of course, a trooper can't cook in it or use it as an instant early morning wash basin. "You can't cook in it, but you won't bleed in it either, is what we tell the soldiers," concludes McManus.

The new helmet is, in short, a classic example of the design dictum that form follows function. Its great beauty is that it saves lives.

PROTECTING SECRETS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 7, 1985, into the CONGRESSIONAL RECORD:

PROTECTING SECRETS

The Walker spy case and other recent cases of espionage against the U.S. have focused attention on how to improve protection of our secrets.

We now protect vital government secrets through a system of classifying information according to sensitivity, and limiting access to it. Not instituted or regulated by Congress, the system controls information only in the Executive Branch. The system's three categories—Top Secret, Secret, and Confidential—are based on the harm disclosure would cause to national security: exceptionally grave damage, serious damage, or damage. Information is classified only if it is important to national security, and applies to military plans, weapons, or operations; foreign government information, intelligence activities, sources and methods; foreign relations; safeguarding nuclear materials or facilities; cryptology; or a confidential source.

Specific agencies and officials have authority to classify information. Other officials use "derivative authority" to classify documents based on information taken from other classified documents. Last year, 6,900 federal officials with original classification authority classified 881,943 documents. Another 18,725,793 documents were classified by derivative authority.

Only trustworthy people who need the information to do their jobs are allowed access to classified documents. The "determination of trustworthiness" is commonly called a security clearance. The condition that access is necessary is the "need-to-know requirement". To obtain access to classified information, an individual must have both the necessary security clearance (Confidential, Secret, or Top Secret) and the need to know the information to perform his duties.

Recent events show the system is not working well. Several steps can be taken to improve it:

1. Reduce the amount of classified information. Some estimates of the number of classified documents reach into the trillions. The Pentagon alone classifies 16 million new items each year. Needlessly stamping information "secret" breeds a lack of regard for material that is properly classified, and overloads our capacity to protect truly sensitive information. We classify so much materials that officials need clearances for routine work. When everything is classified, then nothing is classified, and officials become careless in handling classified information. If we classified only what is valuable, we could focus our resources to protect that information. An effective security system would have maximum disclosure, recognizing that secrecy can best be preserved when credibility is strictly maintained.

2. Reduce the number of people with access to classified information. About 4.5 million people have security clearances, 40% more than five years ago. Leaks are inevitable when so many people handle secrets. If we reduced the number of people with clearances we could examine their backgrounds and activity more closely.

3. Strengthen the clearance process. We devote too few resources to background clearances. Many investigators are overworked, underpaid and undertrained. Background checks are often sketchy, usually only a perfunctory check for convictions

and firings. Only about 1% of 200,000 top secret clearances requested last year were denied. Re-clearance checks, mandated every five years for access to top-secret data, are at least ten years behind schedule. We should regularly recheck and cancel unnecessary clearances. Since spies are apparently motivated more by money than by ideology, clearance reviews, as well as initial checks, should include financial examinations. Another step to consider is the careful use of lie detectors on those with special clearances. Polygraphs, though not infallible, are already used by the CIA and the National Security Agency.

4. Enforce the "need-to-know" principle. The need-to-know principle—the key to the system of classified information—is often violated. A clearance should not entitle an individual to see anything; it is only one condition for access to classified information. Once an individual has met this condition he should be permitted access only if he needs the information to do his job.

5. Improve security at private contractors. 1.5 million private sector employees with clearances are monitored by about 200 government agents. About 200 companies have 95% of the classified documents, but investigators must inspect all 14,000 contractors regularly. Companies request more clearances than they need, often for employees hired to paint and do other maintenance jobs. Many government contractors are lax in reporting clues of espionage—unexplained affluence, unusual interest in classified material, excessive foreign travel. Private companies are also not required to train security guards. Security is often the responsibility of secretaries and file clerks. Federal regulations prohibiting removal of classified documents from the premises are not strictly enforced.

6. Encourage respect for security. The recent upsurge in spying may be due in part to a change in official attitudes. Government officials, including Members of Congress, sometimes leak classified information, usually to influence policy or gain bureaucratic advantage. Public respect for security has declined, and many officials do not, for whatever reason, follow the simple rules that assure good security.

These precautions alone will not eliminate the hemorrhaging of secrets. We will have to take other steps as well, such as stepping up efforts against the real culprits in espionage: thousands of enemy agents operating under diplomatic cover, to do so will require expanding our undermanned counterintelligence units. But if we reduce the amount of information we classify, reduce the number of people with access to that material, and improve investigations of those getting the clearances, we will make those counterintelligence efforts easier, and the nation's secrets will be more secure.

BRZEZINSKI TALKS ABOUT SDI

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. BROOMFIELD. Mr. Speaker, the Soviets are master negotiators and have used their finely tuned skills in the Geneva negotiations on arms control. They try to win major concessions from American negotiators while giving nothing. They promise progress in arms control only if the United States abandons new weapons programs. They leave the negotiating table if they fail to get their way. All too often, it is the United States which gets blamed for the failure of the talks. When agreements are arrived at, the Soviets often break those solemn accords with great disdain. Who can forget about Helsinki?

At the current talks, the Soviets are insisting that the United States abandon the strategic defense initiative. To nobody's surprise, they want our negotiators to say that America will terminate that stabilizing program without requiring that the Soviets cut back on any of their offensive systems.

I am encouraged by a recent article on this subject written by Zbigniew Brzezinski. He is to be commended for saying, "enough is enough." If the Soviets continue to play hard ball at the negotiating table, our Government should quickly move ahead with the strategic defense initiative.

While many opponents of the President's strategic defense initiative have made their views known, I want to share the refreshing views of former Assistant to the President for National Security, Zbigniew Brzezinski, with my colleagues in the House.

[From the New Republic, July 8, 1985]

HOW TO BREAK ARMS CONTROL IMPASSE—A STAR WARS SOLUTION

(By Zbigniew Brzezinski)

The usual danse macabre of American-Soviet arms control negotiations is about to begin. The process is typically initiated by a Soviet announcement to leaders of the U.S. government, and to the myriad self-appointed American accommodationists trooping to Moscow to seek on their own a "fair" solution, that the ongoing stalemate is due entirely to American rigidity. The Soviets insist that they cannot give an inch, and that only a massive display of American good faith—translated into unilateral concessions—can revive the negotiations.

In the late 1970s the Soviets made it clear that progress in negotiations would be contingent upon U.S. abandonment of its cruise missile program. In 1984 they premised even the beginning of arms control talks on the dismantling of the U.S. Pershing and cruise missiles already deployed in Europe. Then the MX missile came to be designated as the impediment to any compromise. And now the Strategic Defense Initiative, Reagan's so-called Star Wars proposal, has been identified as the mortal enemy of arms control.

These arguments are then faithfully reproduced on the Op-Ed pages of U.S. and West European papers. Renowned professors, former ambassadors, various politicized scientists, and leaders of the arms control lobby plead for a demonstration of American good faith—which happens to coincide with the acceptance of what the Soviets have been demanding. The process of negotiation thus begins in earnest—but among us Americans! The Russians, meanwhile, sit at the table in Geneva and wait for the eventual U.S. concessions.

It is a normal procedure for the United States to prepare for serious negotiations with the Soviet Union by defining a tough opening gambit, to be followed by a more flexible position that would be exercised in conjunction with some demonstrated Soviet willingness to compromise. But it is usually only a matter of time before some disgruntled official leaks the substance of the fallback position to one of the ex-ambassadors, peace-loving professors, or any one of the 535 representatives and senators who have lately become our surrogate secretaries of defense and state. Any one of them then feels free to publicize the fallback position as his constructive suggestion. Indeed, the latest fashion is to compose a joint letter published under three or four prestigious signatures, strongly urging the U.S. to make further unilateral concessions in order to convince the Soviets that we are negotiating in earnest. After we prove our good intentions, the Russians may be prepared to accept our third—or fourth—fallback position as a proper match for their own unyielding position.

The Soviet argument against SDI and the domestic critics' case against SDI are politically complementary. The Soviets say that SDI threatens the militarization of space, and that there will be no arms control agreement unless it is abandoned. The American critics say SDI will not work, that it will cost too much, that the Soviets can very easily overcome it, and that the Soviets are dreadfully fearful of it. The logical inconsistency of these arguments is less important than the political symmetry of their intended effect—namely that the U.S. should unilaterally forgo the SDI program.

In fact, nothing could be more damaging to the prospects for real arms control than the jettisoning of SDI. Indeed, the time has come for the United States to bite the bullet on the SDI question. Only if a strategic defense system is deployable within the next decade or so, and only if our will to deploy it is proven credible, can the United States trade it for a genuine and comprehensive arms control agreement with the Soviets. It is essential that this system be capable of disrupting and rendering militarily useless a Soviet first strike by intercepting missiles early in flight or by knocking them out as they descend toward the United States. Anything less than that virtually guarantees that there will be no comprehensive arms control agreement.

The reason for this proposition, unpalatable though it may be to the arms control lobby, is rooted both in the changing character of nuclear weaponry and in the nature of Soviet strategic deployments. In the 1970s both sides enjoyed large strategic forces whose primary function was to pose the threat of annihilation to the other country. These systems were not susceptible to preemptive destruction. The emerging reality of the 1980s, and 1990s is that both sides are deploying far more accurate weapons. These weapons are capable of a preemptive first strike that could eliminate the opponent's strategic forces—and prevent effective retaliation. For the first time it is possible to contemplate the possibility of an attack that destroys an overwhelming majority of the other side's forces while also disrupting its command and communications structures to such an extent that any response would be marginal, spasmodic, and conceivably not totally destructive. In short, as accuracy increases so does the benefit of striking first.

This is not to argue that the Soviets (or the United States) are likely or certain to launch a first strike. It is simply to say that the nuclear relationship is growing ever more precarious. This is the current danger in the American-Soviet military situation. It needs to be addressed and resolved by the arms control process, if possible; or unilaterally, if arms control remains stalemated.

But there is another problem raised by the advent of the highly accurate weaponry.

The Soviet Union is now deploying such forces in large numbers; the United States is not. How can we negotiate effectively in this situation? We somehow have to convince the Soviets to limit the further deployment of their new SS-24 and SS-25 missiles, and to limit significantly the deployment of existing SS-18s and SS-19s, all of which have counterforce capability. Without such limitations, by the early 1990s the Soviets—even by conservative estimates—will have enough missiles to place the entire U.S. arsenal in jeopardy. Only our Trident and Poseidon submarines already out at sea might escape destruction from a Soviet first strike. And with the confusion and resulting disintegration of communications systems, the submarines forces might not be in a position to retaliate effectively.

In contrast, the United States is not likely to be able to threaten the Soviet Union in a comparable way. No ongoing or likely deployment program will enable us to launch a disarming attack. Even if the U.S. had some form of strategic defense in order to protect its missile forces, we would still have far too few MX missiles, D-5 missiles on Trident submarines, and Midgetmen to even permit contemplation of such a disarming first-strike attack at any point between now and the end of the century.

In these circumstances, the decision to go ahead with the SDI makes eminent sense. But is also means reformulating it politically and strategically. The U.S. should drop or at least de-emphasize President Reagan's idealistic hope for total nuclear defense for all our population. We should also abandon our unwillingness to consider SDI in the bargaining process. If we implement that part of the SDI program which by the mid-1990s would enable us to disrupt a Soviet first strike, we would reinforce deterrence and promote nuclear stability. That means concentrating on terminal defense and boost-phase interception.

Once we establish our determination to act on the SDI, we are in a better position to strike a bargain. We can say to the Soviets that we both face essentially two choices, one mutually beneficial, the other especially costly to them, but both stabilizing. The first choice is to renegotiate the 1972 ABM treaty to permit deployment of strategic missile defense, but without either side improving its ability to carry out a first strike. Then, in return for significant reductions in SS-24s, SS-25s, SS-18s, and SS-19s, the United States would not deploy its strategic defense system. The second option would be pursued if Soviets were unwilling to accept such a bargain. The United States would unilaterally terminate the ABM treaty and proceed with the SDI. This would render the Soviets' new generation of accurate missiles useless and wipe out their multibillion ruble investment in them.

Some critics of the SDI argue that the Soviets could respond by vastly increasing their offensive deployments. There are two problems with this line of thinking. First, if the Soviets do respond by building up, they will confirm the ominous suspicion that they are intent on preserving a first-strike capability against the United States; if so, the urgency of negating that threat is all the greater.

Second, if the Soviets expand their offensive forces, the strategic defense could be expanded proportionally. Remember that such a system would not need to be foolproof since it would not be designed to defend populations; it would only need to be capable of significantly disrupting an attack on U.S. strategic forces. In such a competition we would have the advantage. It would be far cheaper for us to add defensive missiles than for them to add highly accurate offensive missiles. (Those who make the most ambitious claims for the SDI should bear in mind that we could not compete so well if we were seeking to build a foolproof defense of our cities. If our defense had to be 100 percent effective, it would cost us far more to expand it than it would cost the Soviets to expand their offensive forces.)

To shape such an effective U.S. defense strategy and a meaningful negotiating posture, President Reagan's SDI needs to be redefined. We must show the Soviets both that we can deploy a strategic defense system soon and that we will negotiate over its deployment if they are willing to make stabilizing reductions in their offensive missile forces. In the event of Soviet unwillingness to accept such an arrangement, we would be in position unilaterally to achieve strategic security for ourselves. And because the SDI would not be accompanied by a massive deployment of disarming first-strike offensive U.S. systems, we would in no way increase our strategic threat to the Soviets. Either way SDI promises a genuinely stabilized nuclear equilibrium between the United States and the Soviet Union. It is time to act.

WHAT THE STATUE OF LIBERTY MEANS TO ME

HON. ROY DYSON

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DYSON. Mr. Speaker, I wish to share with my colleagues the four winning essays read at the Jewish War Veterans Ladies Auxiliary of the United States Liebman-Berger Memorial Post No. 7's Fourth of July celebration. Established in 1896, the Jewish War Veterans Ladies Auxiliary is our Nation's oldest veterans organization.

The essays submitted for this competition are entitled, "What the Statue of Liberty Means to Me." The winners—all of whom hail from Maryland's lower shore—are Heather L. Kimmel, Kathy Shenesky, Lisa Ann Hoffman, and Hartley Saunders. I extend my congratulations to these fine young Americans and wish them well in their future endeavors.

The four essays follow:

WHAT THE STATUE OF LIBERTY MEANS TO ME

(By Heather L. Kimmel, Wicomico Senior High School)

In 1865, the French had the idea of giving a monument to the United States to mark the friendship between the two nations. Frederic Auguste Bartholdi was sent to America to investigate the possibilities of such a monument. He conceived of building a colossal statue at the gateway to the New World, the entrance to the New York Harbor. Liberty Enlightening the World was then created by Bartholdi, engineer Alexander Gustave Eiffel, and architect Richard Morris Hunt. In 1886, the statue and pedestal were erected on top of Fort Wood on Bedloe's Island, now Liberty Island.

The idea of the creation of the statue and the finished work itself represent a close friendship between France and the United States. This illustrates the fact that countries of our world can work together and remain allies. An Old World country created the statue for a New World country. The Old World has come to respect the ideas of the New World and no longer tried to take over and destroy the newer principles.

The tablet held by the Statue of Liberty is inscribed "July 4, 1776," the date that the Declaration of Independence was signed. To me, this statue represents the freedom that our forefathers envisioned for the United States. It also symbolizes opportunity for our country's citizens and foreigners that have come and will come here.

The torch in Liberty's upraised right hand symbolizes a ray of hope for all mankind, since the flame in the torch never flickers. Despite wars, conflicts, corruptions, or natural disasters, Americans will have a hope that peace and prosperity will be available to all.

At Liberty's feet is a broken chain, seldom seen. This symbolizes the bonds that link people struggling for their liberty. People of different religions, cultures, nationalities, and races can live and work together in harmony.

Liberty, as a whole, represents the American dream of individual freedom and hope for living a meaningful and rewarding life. Even though the statue is almost 100 years old, it continues to be an important symbol to the American people.

WHAT THE STATUE OF LIBERTY MEANS TO ME

(By Kathy Shenesky, Bennett Senior High School)

The Statue of Liberty is a symbol of pride for all Americans. Seeing it reminds us of the freedom, hope, and courage that all Americans share. Each American has a story to tell about their first viewing of Lady Liberty. They all feel some sort of patriotism, which is a part of being a citizen of the United States. The Statue itself has become a symbol of our country.

All Americans take pride in having freedom. We fought for it during the Revolutionary War, and shared our victory with France the donor of this statue. Immigrants see a life in our country as a chance to be free; either to have freedom from oppression or freedom to be a more independent individual. I feel that there is no country in the world that allows me more freedom to achieve my potential as a citizen of the United States.

Hope is also a characteristic that all Americans share. One hundred years after the Revolutionary War, France gave us the Statue of Liberty to commemorate the one hundredth anniversary of the signing of the treaty to end the war. It was given as a symbol of hope that our alliance would continue. Hope is also felt by United States immigrants. They want to be successful in their new country, and hope for a more prosperous future. The Statue of Liberty makes me hope that our country will spread peace throughout the world.

The Statue of Liberty represents courage. In the Revolutionary War, it took courage for a group of people to fight for freedom and risk defeat. It also takes courage for United States immigrants to move to the United States and risk failure. When I look at Lady Liberty, I feel courage to stand up for what I believe in.

The restoration of the Statue of Liberty has enkindled great enthusiasm among all Americans. To everyone, young, old, rich, and poor, this monument stands for the best qualities of being American.

WHAT THE STATUE OF LIBERTY MEANS TO ME

(By Hartley Saunders, Wicomico Senior High School

Ever since its construction in 1876, the Statue of Liberty has been a symbol of peace and prosperity for imigrants as well as to patriotic Americans. Her magnificent lines and adornments symbolize many of the liberties that native-born Americans have exclusively.

The Statue's parts symbolize different things to me, while projecting a unified feeling of patriotism. The pedestal on which she stands symbolizes how high America has made itself through hard solid work, just as the solid bricks and beams that make up the pedestal. Proceeding upward, I see that Lady Liberty carries a great book. That great book is the symbol of the education that is promised to each and every American. Rising up even further, I pass her majestic head and crown. They symbolize to me the beauty of the land I call America. And finally, after following that colossal arm upward, I reach the torch. Its flame symbolizes America as a bright star over a black sea.

After closely examining the statue in individual parts, I look at her as a whole. And while I am gazing at her supreme beauty, I see another symbol; the green coating. The coating represents to me the riches to be found here, both monetary and personal.

The Statue of Liberty with all her splendor is only as beautiful as the people of America think her. I'm afraid not every one thinks as I do. But as long as a few patriotic people still believe in America, the torch will shine as brightly as the sun.

WHAT THE STATUE OF LIBERTY MEANS TO ME

(By Lisa Ann Hoffman, Wicomico Senior High School)

The Statue of Liberty on Bedloe Island, New York Harbor represents the freedom that America cherishes, and to me it serves as a symbol of what our country stands for. All through the course of history, America has fought for its freedom. When the first settlers from Europe began to colonize the New World, they expressed a desire to be liberated and govern themselves. They battled for that right, and won.

As you enter the New York Harbor, you can't help but see Lady Liberty and the torch that she holds aloft in her right hand. The flame it produces illuminates the world and radiates to everyone the feeling of independence that all Americans should have within them. It also represents the energy and fire that come from the spark of patriotism. In her left hand, Liberty holds the book of law, depicting to me the American idea of equal opportunity for all.

The amiability and gratitude that the French felt towards America must have been overwhelming to be cause for such a gift. The Statue of Liberty also, therefore, exemplifies the respect that America deserves and rightfully receives. She is a constant reminder of all these things and installs in us new partriotism whenever we see her. I am glad that the Statue of Liberty's condition is being kept up, and I hope that the restoration is not only one of her appearance, but also one of the faith and pride of the American people.

INTRODUCTION OF GLEANING RESOLUTION

HON. TONY P. HALL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HALL of Ohio. Mr. Speaker, on July 30 I made a statement to accompany the introduction of a resolution to encourage gleaning. As the statement indicated, my resolution commends gleaning groups throughout the country and those food producers—individuals and organizations—who permit gleaners to collect unharvested crops from their fields to help feed the poor of this Nation.

However, due to a printing error, the actual resolution was not formally introduced and assigned a number. For that reason I am resubmitting my resolution on gleaning with the request that the error be corrected.

H. CON. RES. 183

Concurrent resolution expressing the sense of the Congress that food producers who permit gleaning of their fields and nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts, and for other purposes

Whereas a large number of people in this country are not able to regularly supply themselves and their families with food;

Whereas food banks, soup kitchens, and other emergency food providers are witnessing a substantial increase in the number of persons seeking food assistance;

Whereas gleaning is a partnership between food producers and nonprofit organizations through which food producers permit members of such organizations to collect grain, vegetables, and fruit which have not been harvested and distribute such food items to programs which provide food to needy individuals;

Whereas support of gleaning to supply food to the poor is part of the Judeo-Christian heritage as set out in the Book of Leviticus, "When you reap the harvests of your land, do not reap to the very edges of your field or gather the gleanings of your harvest. Do not go over your vineyard a second time or pick up the grapes that have fallen. Leave them for the poor and the alien.";

Whereas a 1977 General Accounting Office analysis estimated that during the 1974 harvest 60,000,000 tons of grain, vegetables, and fruit, valued at $5,000,000,000 were unharvested;

Whereas the diets of millions of hungry people in the United States could have been supplemented with such lost grain, vegetables, and fruit;

Whereas a number of State and local governments have enacted Good Samaritan laws which limit the liability of food donors and provide an incentive for food contributions; and

Whereas numerous civic, religious, charitable, and other nonprofit organizations throughout the country have begun gleaning programs to harvest such food items and channel them to the hungry in the United States: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of the Congress that—

(1) food producers who permit gleaning of their fields and civic, religious, charitable, and other nonprofit organizations which glean fields and distribute the resulting harvest to help alleviate hunger should be commended for their efforts; and

(2) State and local governments should be encouraged to enact tax and other incentives designed to increase the number of food producers who permit gleaning of their fields and the number of shippers who donate, or charge reduced rates for, transportation of gleaned produce.

TERRORISM IN THE UNITED STATES

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 14, 1985, into the CONGRESSIONAL RECORD:

TERRORISM IN THE UNITED STATES

Terrorist attacks on Americans abroad have increased fears of violence spreading to the U.S. The resurgence of religious fanaticism, the increased willingness of foreign governments to export terrorism, the development of new terrorist technology that makes detection more difficult, the enormous publicity terrorists get in the U.S., and the number and diversity of people within our borders are all reasons for concern.

Terrorism is indiscriminate violence used against innocent bystanders for political effect. Terrorists attempt to create fear and to get widespread attention, exaggerating their strength and the importance of their cause. Most recent terrorist actions in the U.S. have been committed less to alter U.S. government policies than to alter policies in other countries. For example, the FBI recently foiled a plot against the Prime Minister of India during his visit to the U.S. In recent years, the number of terrorist incidents in the U.S. has dropped from 51 in 1982, when 7 people were killed and 26 injured, to 13 in 1984, with no injuries or fatalities. However, the 1984 figures do not count the two dozen abortion clinic bombings, which some say should have been included in the tally. The dominant form of recent terrorist actions in the U.S. has been planting bombs, and most were in New York City. Terrorists usually plan actions that will call attention to their cause without resulting in deaths.

While the State Department heads up our efforts against international terrorism, the FBI is the lead agency in our domestic efforts, with more than 500 full-time counterterrorism agents. In recent years, FBI capabilities have been strengthened, through, for example, an increase in the number of agents, hostage rescue training and expanded computerization. Moreover, domestic surveillance guidelines for the FBI were recently loosened. Fortunately, the trend in the U.S. has been to fewer terrorist acts and more convictions.

Although examples of terrorist acts are found throughout U.S. history, they have not been as widespread here as in other countries, for several reasons. Terrorism

from domestic groups has been relatively rare because ideology has traditionally not been a major force in U.S. history, and because we have had few recent separationist struggles. Moreover, our political system has an enormous capacity to bring those with grievances into the democratic process.

Thus, the main threat of terrorism in the U.S. may come from abroad. Yet certain factors reduce the influx of terrorism. Foreign terrorists generally attack Americans abroad rather than come to the U.S. because of America's geographical remoteness and our tighter airport security. Many terrorists have been trained in Europe and find it easier to get around there. Also, terrorist acts in the U.S. by foreigners would inflame public opinion against their cause and would likely trigger widespread calls for strong retaliation. The view of most experts is that in the near future most terrorist actions against the U.S. will continue to take place abroad. Yet, as the FBI has noted, there is the potential for an increase of terrorism in the U.S.

We must take several steps to deal with the threat of domestic terrorism. Although we must improve our capabilities for handling terrorist incidents once they occur, the most important steps we can take are preventive—heading off terrorist actions before they take place. Such steps include, first, trying to address the kinds of fundamental grievances that give rise to terrorism. We should also continue to institute security practices that make the task of the terrorist more difficult, such as barriers around public buildings and electronic screening of crowds. Nearly all terrorism can be foiled with currently available security devices and procedures if they are applied sufficiently. We must continue to give wide publicity to our anti-terrorist efforts and our resolve to respond firmly to terrorists. For example, our well-publicized $100 million security effort at the Los Angeles Olympics is credited with discouraging terrorism. In addition, we should tighten our domestic anti-terrorist laws by increasing fines and prison terms, and by providing rewards for informants. Moreover, although the FBI has improved its capacity to deal with conventional terrorists, we should boost our ability to deal with large-scale, heavily-armed terrorist groups and to counter different kinds of attacks, such as against power or water systems. We should also improve our information-gathering efforts against suspected terrorist groups. If U.S. terrorism increases, we should consider carefully proscribed infiltration of suspected terrorist groups and steps to disrupt their planning. Finally, the U.S. should stop supporting actions elsewhere in the world—such as mining harbors and publishing assassination manuals—that appear to give our blessing to the notion of terrorism.

The fight against terrorism in the U.S. does not rest entirely with the federal government. Others must become more involved, including cities that are prime targets, high-profile international companies, and even individual citizens. One major terrorist group was captured because a housewife called officials after becoming suspicious of several men in jogging suits milling around a van. Her suspicion was aroused because the "joggers" were all heavy smokers.

Although our efforts against domestic terrorism must be firm, we must not overreact and trample civil liberties, disrupt normal commerce, and sharply restrict citizen access to our public buildings and to our government. A government that responds with oppressive measures loses the confidence of its people and plays into the hands of terrorists. Moreover, we should remember that terrorist acts in the U.S., though a major source of concern, are much less frequent than other violent acts. For example, last year there were 13 official acts of terrorism in the U.S., compared to 18,600 reported murders, 84,000 forcible rapes, 485,000 robberies, and 2,984,000 burglaries. Our efforts against terrorism in the U.S. must be forceful, but not panicked.

THAT IMPORT SURCHARGE

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. COURTER. Mr. Speaker, the following editorial by Congressman JACK KEMP which recently appeared in the Washington Post contributes a great deal to the debate over how we will conquer our trade deficit. JACK reminds us that we must avoid at all cost the kinds of trade policies which dragged this country down earlier in this century and which would reduce our opportunities for economic expansion. I urge my colleagues to read these words carefully:

THAT IMPORT SURCHARGE: WHY WOULD THE DEMOCRATS REPEAT A REPUBLICAN MISTAKE?

Reps. Dan Rostenkowski and Richard Gephardt and Sen. Lloyd Bentsen say that their proposal for a 25 percent import surcharge is a shot across the bow of our trading partners. Like every shot across someone's bow, this one would miss its target. But it would score a direct hit on American businesses, workers and families.

The Rostenkowski-Gephardt-Bentsen bill is no different in principle from the Smoot-Hawley tariff, which helped precipitate the Great Depression. Even some of the circumstances are uncomfortably similar: a growing debt burden in the developing nations; a progressive decline in American agriculture because of the rise of the dollar against other currencies in real terms; a failure to establish a stable international monetary system. In 1929-30, instead of correcting these problems, Congress enacted and President Hoover signed the Smoot-Hawley tariff, which hiked duties across the board. It was the last straw for world trade. The debtor nations could not repay their debts if they could not export to us. They sought to ease the pressure by devaluing their currencies and imposing retaliatory tariffs. The dollar rose even farther. The world economy imploded.

The Democratic sponsors of the new protectionist bill seem to want to repeat the same mistake. The main provision is a 25 percent tariff on any country whose exports to the United States are 50 percent higher than imports and whose world exports exceed world imports by 65 percent. (Why the difference? There's almost a $100 billion statistical discrepancy between total world exports and world imports, even though the two are obviously identical; yet these statistics are supposed to decide whether or not we trigger an all-out trade war!) It turns to that this would selectively target four countries: Japan, South Korea, Taiwan and Brazil.

It's easy to see who this bill would not help: American farmers. Japan, South Korea and Taiwan all make a living by importing raw materials and food and exporting manufactured goods. Japan, for example, is our single biggest agricultural customer. And to the degree that American farmers compete with Brazilian farmers, it is mostly abroad, not in U.S. markets. The 25 percent tariff would hike the prices paid by American farmers for equipment, though the world prices they received would be no higher. And U.S. farmers would be the first victims of any retaliation by other countries.

Would the bill at least reduce our competitive disadvantage in manufacturing? No: Since the tariff is selective, the main result of a 25 percent tariff on Japan would be to shift Japanese goods to Europe and European goods to the United States. This wouldn't help our trade balance at all.

To the degree that any American businesses could gain, it could only be at the expense of other American businesses—and, of course, American households. Both would be hit with price markups from foreign and domestic suppliers. American goods would cost more at home and abroad. Productivity and our standard of living would fall, and we would lose jobs. Any reduction in our imports would be more than matched by a loss of exports. And how can Brazil repay its debts to us if it cannot export to us? How can Japan invest its savings in our country if it cannot transfer the resources to us through trade?

In solving a problem, it helps to know what the problem is. Part of our trade deficit is not a problem. Countries that grow faster than the rest of the world, as we have done, generally import capital seeking a higher return, in the form of a trade deficit. This part of the trade deficit will automatically disappear if other countries pursue growth-oriented policies; if not, we don't need to slow down our economy to reduce the gap, as long as the goods are used to increase our economic capacity. The United States ran a trade deficit for its first 100 years.

But part of our trade deficit is a problem. As in the 1920s, American farmers, manufacturers and mineral producers—industries that export or compete with imports—have been priced out of world markets by the dollar's rise. Just as the fall of the dollar in the 1970s provoked protectionism abroad, the rise of the dollar in the 1980s has led to calls for protection in the United States. The instability of exchange rates has cost many jobs in both the United States and the Third World.

The obvious answer to a monetary policy that permits a rising dollar or a falling dollar is a monetary policy that preserves a stable dollar. We need a domestic monetary policy geared to the value rather than the quantity of money. And we need to return to an international system of stable exchange rates that is neither inflationary nor deflationary. (The Rostenkowski/Gephardt/Bentsen bill does have a section calling for movement toward stable exchange rates.) At the same time, we need a Reagan Round of talks on trade liberalization, patterned on the successful Kennedy Round of the 1960s. This was the goal of the statesman who designed the postwar Bretton Woods monetary system: to dismantle the beggar-thy-neighbor protectionism and competitive currency devaluations of the 1930s.

The Democratic Party is now going through a well-publicized identity crisis. The protectionist bill shows the difficulty the Democrats are having in hammering out

a consistent philosophy. The tariff would hurt the farmers for whom the Democrats want larger federal subsidies. In the field of tax reform, many Democrats propose new disincentives for investment that would worsen the competitiveness of precisely the same industries they are trying to "protect."

Politically, the Democrats might do well to consider the kind of luck we Republicans had with the ideas they are now thinking of adopting. The Smoot-Hawley tariff was the prelude not only to national economic but also Republican political disaster. As E. E. Schattschneider remarked about the soon-to-be-minority Hoover Republicans in his classic study of the Smoot-Hawley tariff: "To manage pressure is to govern; to let pressures run wild is to abdicate."

The Republicans used to be the high-tariff party and the Democrats the party of free trade. The switch underlines a larger role reversal of the two parties: Republicans have become the party of growth and opportunity, and the Democrats the party of tax increases and protectionism. As a rule, I don't mind it when the Democrats act like a minority party—confused, contradictory, narrow in scope. But when the future of our economy is at stake, I wish they would stick to ideas, such as tax reform, that make better economic and political sense.

THE TRAGEDY OF NICARAGUA

HON. WM. S. BROOMFIELD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. BROOMFIELD. Mr. Speaker, there are many tragedies in today's Nicaragua. After stealing what was originally a democratic revolution, the Sandinista Marxist-Leninists have also destroyed the economy of that country. Their brand of unworkable Communist economics has essentially brought the economy of Nicaragua to its knees. I want to share an interesting editorial on the economy of Nicaragua with my colleagues in the House.

Much has been said about human rights violations by the Sandinistas and their efforts to destroy the church in that country. Much has been written about the police state nature of that society and the growing role of Cuban and Eastern bloc advisers. Many Americans, however, fail to notice that much of the damage to the Nicaraguan economy was inflicted upon that poor country by the Sandinistas themselves.

Around the world, the Marxist-Leninist approach to economics has failed. The economy of the Soviet Union is a classic example of what massive damage is done when the so-called masters of economics take over.

Many countries in Eastern Europe are also economic disasters along with many Third World nations which modeled their economies on the Marxist model.

Given the many problems in that country, is there any wonder that the democratically oriented freedom fighters are winning the support of an increasing number of Nicaraguans? The common people in that country know that the road down which the Sandinistas are forcing that nation is the wrong one. In 1979, that nation obviously took the wrong turn. Let's hope we can help to get Nicaragua back on the right track.

With these concerns in mind, I commend the following insightful article from the Arizona Republic to my colleagues in the House.

The article follows:

[From the Arizona Republic, July 15, 1985]

NICARAGUA: THE FUTURE IS HERE

It was six years ago this month that a popular uprising of the Nicaraguan people drove dictator Anastasio Somoza out of the country his family had controlled virtually as a private fief since 1934.

So abhorrent was the corrupt military dictatorship that the Nicaraguan opposition and North American critics thought almost anything would be preferable.

Well, the future is here in Nicaragua.

According to Mark Falcoff of the American Enterprise Institute on an article in the current issue of Commentary magazine, the euphoria of the immediate post-Somoza era is wearing off and the hard realities of what Sandinista Marxism means are beginning to dawn.

Except among all but the most inflexible apologists for the Sandinistas, there is the growing recognition that quality of life under the regime has steadily declined.

Although never a wealthy country, Nicaragua was reasonably self-sufficient in food production.

Over the past 30 years, the standard of living in Nicaragua, like that for Central America in general, steadily increased.

Under the Sandinistas, that standard has dropped considerably.

Using 1978 as a base year, by 1982, agricultural production had declined 17 percent; industry had dropped 18 percent; and commerce had shown a 27 percent decrease.

The only sector of Nicaraguan society that gained in the first four years of the revolution was the size of the government, which increased three-fold.

By 1983, private consumption of goods had dropped by 12 percent.

Offical sources admit to 20 percent unemployment, and inflation is running at an annual rate of 25 percent.

Amid this economic slump, however, the Sandinistas have managed to build a heavily armed military larger than all others in the region combined.

Since 1979, Nicaragua has been the recipient of $3 billion in foreign loans and $250 million in outright donations, $118 million of that coming from the United States during the Carter administration.

If Nicaragua has economic problems, it is not the fault of the outside world.

Its problems, like those of the Third World generally, are not strictly economic, but are fundamentally political.

The Nicaraguan uprising was, by virtue of their greater armed strength, stolen by Marxists convinced they alone possess the sole repository of historical and economic truth, and are authorized to impose that "truth" on the population generally.

The scenario in Nicaragua is the same one that was played out in Cuba.

For the sake of Marxist patterns of social control, economic growth is willingly sacrificed to the need for the instruments of force and violence.

Nicaraguans understand what is happening, even if many North Americans do not.

That is why in just three years, *contra* forces has grown from a mere 300 to more than 16,000, or three times the number of armed Sandinistas who fought against Somoza.

WOMEN'S EQUALITY DAY

HON. HAL DAUB

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DAUB. Mr. Speaker, last week, the Nation marked Women's Equality Day when we recognized the contributions and achievements of American women.

As in past years, this year was one of both accomplishments and continued challenges.

The challenge for us, as we consider legislation that affects women, is to assure that our laws allow full and equal opportunity for women to advance in every sector of American society.

Having become a member of the Ways and Means Committee earlier this year, I am particularly concerned about the impact of major tax reform on women. I am pleased that the proposal before us includes a number of positive provisions in this regard.

Two areas of special concern are the spousal IRA provision and the child care credit. The spousal IRA is a long overdue recognition of the economic value of the homemaker. Additionally, the spousal IRA addresses the problem of disproportionate poverty among elderly women by providing an incentive for retirement savings.

The child care credit recognizes a legitimate cost to America's working parents. The opportunity for a mother to return to her career should not be diminished by our tax laws, and the child care credit assures that this cost of working is treated fairly in the Tax Code.

Tax reform will affect each American family differently; however, if we are to achieve our goal of fairness, we must recognize the role of women in our economy whether they work as a homemaker or in a career outside the home.

Tax reform and a fair tax code are fundamental to women's equality.

CONGRESS AT MIDYEAR

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington Report for Wednesday, August 21, 1985 into the CONGRESSIONAL RECORD:

CONGRESS AT MIDYEAR

As Congress breaks for its August recess, it is an appropriate time to review its record for the first seven months of 1985. There is only a modest list of legislative accomplishments.

The session began contentiously with the partisan fight over Indiana's Eighth Congressional District seat, and continued with skirmishes over party ratios on committee

slots. As consideration of the budget progressed, however, institutional divisions took over with House Democrats and Republicans siding with the President against Senate Republicans. After a slow and bitterly partisan start, Congress managed to reach bipartisan agreement on major budget, defense, and foreign policy issues.

The budget dominated the first six months of the 99th Congress. Differences over Social Security COLAs and defense spending brought budget talks to a halt. But at the last hour before the recess began—ten weeks behind schedule—Congress passed a budget resolution that sets targets for government spending.

The measure's sponsors claim it will trim $55 billion dollars from the deficit for the fiscal year beginning October 1, 1985. But within hours after it was passed, congressional leaders said that overly optimistic economic projections and the budget's measurement for defense cutbacks inflated the savings, and doubts were expressed over whether Congress will enact all the savings called for. Savings will probably be closer to $30-$40 billion next year.

With the President ruling out tax increases and Social Security cutbacks, reductions will come from squeezing domestic programs for a fifth year in a row and by restraining military spending. The balance between defense and domestic cutbacks is vastly different from what the President proposed in February. More savings came from defense, largely because of congressional resistance to continuing the military buildup at the expense of domestic programs. About one half of the savings are from defense.

The budget imposed no new benefit cuts in programs for the poor and elderly, such as food stamps, child nutrition and welfare. Medicare and Medicaid were cut, but by freezing payments to health care providers rathers than by cutting benefits. Farm programs will also be cut, and federal workers' pay will be frozen for one year. Most other domestic programs will be cut by 10-30%. General revenue sharing will end after 1986, the only major program to be eliminated. The plan contains no new taxes.

The budget resolution will keep the deficit from getting worse, but it is little more than a staying effort. Even so, savings are real, and amount to the single largest reductions in history. It sets spending and deficit levels lower than the President proposed. But the budget also leaves deficits of historic proportions. With predictions that, despite these cuts, the deficit will top $200 billion again this year, Congress and the President face an even tougher task next year.

I am concerned about the failure of the President and Congress to address the long-term budget problem. The disappointment for me is that we had the chance while the economy was doing fairly well to act in a non-crisis atmosphere. If we are unwilling to consider reductions in spending in major entitlement programs and defense, then cuts in other domestic areas will have little impact.

The passage of the budget resolution does not complete the budget process. The bill is only a guide for spending bills still to be enacted. My hope is that Congress will make cuts even greater than those proposed by the resolution when it considers spending bills this fall.

Congress also completed action on other items. It released highway funds from last year held up by a dispute over demonstration projects, and repealed the contemporaneous record-keeping requirement enacted last year. In foreign policy and defense, it settled the controversial MX missile and Nicaraguan Contra aid issues, at least for now. It passed the first foreign aid bill since 1981. It provided emergency famine relief and recovery aid for Africa. In response to the TWA hijacking, both Houses passed bills to improve security standards for international air transportation. It has nearly completed action on the defense bill for next year and is likely to give final approval to sanctions against South Africa when it returns in September. Congress has also been pushing the President to take action to reduce the growing trade deficit and to respond to unfair trading practices by other countries, notably Japan.

The President has been less effective at the beginning of his second term. Because of staff changes and the President's illness, the White House has been unable to focus its resources. In both foreign and domestic policy, the President was forced to settle for less than he wanted. The MX was saved but the program was cut in half. Humanitarian aid for the anti-government rebels in Nicaragua was approved, but not the military aid the President wanted. Domestic programs were cut but not eliminated. Senate leaders were forced to abandon efforts to give the President a line item veto. And in the case of sanctions against South Africa, Congress simply repudiated the administration's policy of "constructive engagement" with the Pretoria government.

The big work for the Congress when it returns in September will be to implement the budget resolution. A wide range of additional issues will be on the agenda including immigration, international trade, civil rights, farm programs, clean water reauthorization and the Superfund for toxic waste cleanup. Tax reform is not dead. Virtually all members of the key House tax-writing committees favor tax reforms and the President continues to support it strongly. House action on tax reform this year remains a strong possibility, but Senate action is much more uncertain.

JAPAN EVEN HAS TROUBLE BUYING FOREIGN WINE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. STARK. Mr. Speaker, the Journal of Commerce, August 19, 1985, carried an article entitled "Trade Tensions Mount Over Japanese Wine."

For a people who are so smart, it is hard to understand why they insist on a domestic wine production industry—why 130 million people living in a mountainous area about the size of Montana would want to plant land in vineyards.

But the concluding quote in the article explains why Americans are at the end of their rope over our trade relationship. The Japanese Treasury official says, "We intend to protect first these small, weak wine makers."

Excuse me, Japan, but if you won't buy more of the wine of my district's Livermore Valley, then I intend to protect first my small weak semiconductor and computer firms against Hitachi, Fujitsu, NEC, and the other industrial/bank conglomerates of Japan.

TRADE TENSIONS MOUNT OVER JAPANESE WINE

TOKYO.—In 1983, Herve Gueymard gave up his career as an architect to take over a family business, a 20-acre vineyard that produces about 7,000 cases of select Japanese wine a year.

Japan might seem an unlikely place for a Frenchman to cultivate grapes, but Mr. Gueymard shares the conviction of producers worldwide that the wine market in Japan will ripen in the next decade.

"It will be one of the biggest markets in the world (behind France, the United States and the United Kingdom) within 10 years, maybe before that," the 39-year-old Mr. Gueymard predicted in an interview. "Things are changing and we can feel it."

Growing interest in the beverage, however, has raised tensions in the market, uncorking an oft-bitter brew of trade problems.

Lacking land, climate and a tradition of wine, Japan's wine producers have cultivated their market using foreign flair, a chauvinistic preference for the domestic product and cheap foreign wine blended with locally grown grapes.

Foreign vendors, sensing a coming market boom, voice complaints that are familiar to would-be importers of many other types of products, namely, that the Japanese government has unnecessarily protected Japan's wine makers with a web of tariffs and duties and a dearth of labeling regulations.

"Imported wines have roughly a 23 percent share of the market, but pay 57 percent of the taxes and duties on all wines," said French Embassy Agriculture Attache Jacques Torregrossa.

"Imported wines cannot compete at the moment," said Mr. Gueymard. "The local market is so well-structured."

The import market recently suffered another, unexpected blow—the discovery in Japan of 35 bottles of Austrian and West German wine tainted with a potentially lethal anti-freeze called diethylene glycol.

No deaths or injuries have been reported in Japan or any of 10 other countries where the tainted wine has been found, but the effect has been nothing short of devastating, according to some sources familiar with the market.

At least two department stores in Tokyo halted sales of all Austrian and West German wines, and an American importer, asking not to be named, said he learned that one import firm that does not even handle German or Austrian wines had seen sales plummet from 3,000 cases a week to less than 100 cases.

Once regarded solely as an herbal medicine, wine still enjoys only a single-digit share of the Japanese liquor market, although its growth is double-digit.

In the first quarter of 1985, beer held 60 percent of alcohol sales, whiskey 6.3 percent and wine just over 1 percent, according to the trading house Jardine, Matheson and Co. (Japan) Ltd.

Yet, "Japanese per capita wine consumption doubled during the past 10 years, reaching 0.8 liters in 1983," a U.S. Embassy report said: In Tokyo, consumption reached 1.6 liters per person.

With a drop in whiskey sales of 8 million cases in 1984, an increase in women drinkers, Western meals and travel abroad, and a global trend toward low-alcohol liquor,

market watchers say wine will continue to climb.

"Everything is in its favor," said Willie Purcell of Jardine, while at the same time complaining that importers won't easily be able to share in the market.

Japan's climate is so humid and land so scarce that the few wine grapes produced are 500 percent to 900 percent more costly and 8 percent lower in alcohol than U.S. or European Community varieties; according to the French Embassy.

Japanese producers depend on bulk wine from countries such as Spain and Bulgaria, or grape must—the fermenting juice of grapes—for blending with Japanese wine.

Only 20 percent of wine consumed in Japan is purely domestic, and a bottle needs only 5 percent Japanese grapes to be labeled "Product of Japan."

"We don't think it is an important matter," said Masahide Kanzaki of Suntory Ltd., one of three companies that control 60 percent of the market. "Consumers don't want to know where the grapes come from."

In addition to a lack of laws regulating wine labels by origin and variety, importers say duties and taxes are 40 percent higher than those paid by domestic producers.

Japanese officials defend the system as necessary to protect domestic producers. "It is very difficult for us to reduce our tariffs," said Yoshiro Okamoto, deputy director of planning for the Finance Ministry's Custom and Tariffs Bureau. "We intend to protect first these small, weak wine makers."

IN SUPPORT OF H.R. 10

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. RAHALL. Mr. Speaker, today the House passed H.R. 10, the National Development Investment Act which amends the Economic and the Appalachian Regional Development Acts of 1965. The programs developed under these acts have been highly successful in the fight to eliminate poverty and its devastating effects in Appalachia and to educate and enlighten the people of this area.

I would like to share one of the many successful endeavors of the Economic Development Administration in my home district in West Virginia. The following details Marshall University's Center for Regional Progress and its Economic Development Administration University Center Program. The center for regional progress was one of only three new University centers created by EDA nationwide last year. The support provided by EDA has enabled Marshall University to extend a wide variety of technical assistance and research activities to business, industry and government which otherwise would have been unavailable.

MARSHALL UNIVERSITY CENTER FOR REGIONAL PROGRESS, EDA UNIVERSITY CENTER PROGRAM

In August, 1984 Assistant Secretary of Commerce, Ms. J. Bonnie Newman, awarded a $77,000 grant to the Center for Regional Progress to establish an Economic Development Administration University Center. The purpose of the University Center is to provide economic development assistance to 21 southern West Virginia counties hard hit by unemployment.

The EDA University Center program enables the considerable faculty and staff resources of Marshall University to be directed to the region's economic development needs. Four types of assistance are made available to business and industry, government and community organizations: (1) Technical and research assistance, (2) Counseling and referral, (3) Continuing education through workshops, seminars and lectures, (4) Graduate assistantships, cooperative education and internships.

To date 20 faculty members representing various disciplines and 45 students have participated in projects sponsored by the Economic Development Administration Program.

A summary of some of those projects follows.

The client requested assistance in developing a business plan for a pizza/entertainment center, with which bankers and prospective investors could be approached to finance his project. The Center recommended that we undertake a feasibility study along with the development of a business plan to further enhance the business proposal package. Staff is currently researching the feasibility of the project and developing a business plan for the pizza/entertainment center.

The owners of a successful sheet metal fabrication corporation acquired the exclusive manufacturing patent to an innovative solar hearing system and began proto-type production. They test marketed the product and due to the demand for their product the owners decided to set-up a separate corporation to manufacture the solar heater. They approached the Center about advice concerning a national promotional campaign package for their new product. As a result of several meetings with the owners, the Center put together a faculty team to research market data and determine a competitive product price. Upon completion of the market study the team will develop promotional strategies and materials for the new corporation. Market research is underway.

The owner of two local pharmacies asked for research assistance. The research would determine if it is feasible to offer retail goods at a wholesale price, charge a fee for this service and maintain an expected fixed overhead for the two pharmacies. The Center is arranging for a faculty team to study the feasibility of the proposed service and develop a fee schedule as it relates to expected markets.

The client needed market information for downtown Charleston, WV to help pre-lease space in a proposed retail facility. The Center was able to readily assist the client providing the necessary, previously compiled, current market data.

A group of area Chamber of Commerce presidents and local economic development directors requested the Center to research and compile a tri-state regional profile to be used for recruitment purposes. The Center has completed the text of the profile and is working with the group on the design and printing of the document. It is felt, by the group, that the profile will be an asset in the recruitment of business and industry into the area.

The client requested market and demographic information for the Huntington and Charleston, WV areas. Average land, building, and lease cost were also required to conduct a preliminary study concerning the location of a proposed fast food restaurant into the two areas. The Center was able to quickly respond to the client's needs with minimal research and providing previously compiled data.

The client requested both technical and financial assistance to establish a non-profit textile processing plant to provide employment opportunities for the chronically unemployed, the handicapped, and the veterans. The client had approached a number of agencies and entities for assistance. The Center is working with these various groups to assess their level of participation and to package the proposals as a total project. A total proposed project encompassing all groups will better leverage funds and avoid duplication of efforts.

The City of Huntington, WV has asked that Marshall University through the Center for Regional Progress assist in the research and data collection for the development of a city Business Plan. The Business Plan will establish an economic development strategy and help facilitate economic growth within the City. Faculty and staff have become involved in various aspects of the plan development. The University is currently assisting which the arrangement of meetings with local business and community leaders to solicitate their input into the plan, along with ongoing compilation and research of required data.

The client is interested in establishing a consulting business. The business would offer exercise programs and instruction to local businesses for their employees. The Center is studying the aspects of meshing this project with a fitness evaluation and prescription program currently intact at Marshall University.

The Charleston Renaissance Corporation, a non-profit organization working in cooperation with the City of Charleston, WV and the area business community requested assistance with the development of re-development plans for the three Urban Renewal areas of the city. The Center conducted a preliminary marketing survey of Capitol Street between Virginia and Lee Streets and gathered the information necessary, and developed a long term marketing strategy for the area. The non-profit is charged with the implementation of the re-development plan.

Marshall University's College of Business, in conjunction with EDA and the Center for Regional Progress presented the first annual Global Trade Conference and Exposition. The GTC assisted participants in increasing their individual and collective share of the global market for their own businesses' and the region's economy. New opportunities in exporting were discussed and how to develop strategies, promotions, and techniques of capturing these markets. The conference was composed of ten seminars on a wide range of subjects. The exposition provided regional firms the opportunity to display and promote their export products. In addition to exporters, export intermediaries were present to explain their many services that facilitate exporting. The GTC was a great success and the Center looks forward to sponsoring next years conference.

A small manufacturing company has requested assistance from the Center for Regional Progress. They have a patent to manufacture a ceramic self-watering flower pot. The company has run into some problems and currently needs production space to further develop molds and manufacture additional sample pots. These proto-type pots will be used to market the product to dis-

tributors. Without commitments from distributors the company cannot secure a loan which is necessary to re-establish their own production facilities. To address their immediate needs the Center is currently researching the possibility of utilizing university space and equipment for production.

The client requested assistance in preparing a feasibility report for a total care retirement center. The feasibility report is providing the necessary documentation for a Certificate of Need from the State Health Department. If constructed, the retirement center will create an estimated 200 new service jobs in the Huntington/Cabell County area.

The Interim Commission on Employment Opportunities and Economic Development of the West Virginia State Legislature requested research assistance. Through the EDA University Center program, research was provided the Interim Commission in the following areas: Financial Incentives to Business, Free Enterprise Zones, State Image and Promotion, Export Marketing, and Taxation.

The McDowell County Development Authority contracted with the Center for Regional Progress to prepare an Economic Development Plan for McDowell County. The plan includes a resource inventory, needs assessment, project recommendations and funding alternatives, and an industrial diversification program to offset high unemployment in the coal fields.

The City of Pt. Pleasant contracted with the Center for Regional Progress to prepare a comprehensive Economic Development Strategy/Marketing Plan to promote industrial development, stabilize employment opportunities, and identify employee training needs in Mason County.

As a result of the EDA program, the Center for Regional Progress has been able to assist the Governor's Office of Economic and Community Development in the recruitment of new industry for West Virginia. The most notable example is the information provided in support of West Virginia's bid to become the site of the new General Motors Saturn factory.

The EDA University Center program, in cooperation with the International Trade Commission and the Regent's Center for Education and Research with Industry, has made possible the publication of a WV Export Products Directory. As a result, WV businessmen will have their products represented in foreign trade missions worldwide.

FINN CASPERSEN STATEMENT ON TAX REFORM

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. COURTER. Mr. Speaker, if my colleagues' mail has been anything like mine lately, they are probably receiving hundreds of letters from individuals and businesses who, though supportive of the concept of tax reform, are opposed to specific aspects of the President's proposal which might hurt them.

In view of this common response, I was greatly impressed to learn that Beneficial Corp., one of the largest financial institutions in the country, is behind President Reagan's plan in spite of the fact that Beneficial's tax liability would increase by about $100 million over 5 years under the proposal. Beneficial's reasons for supporting this tax reform are simple, yet dynamic and farsighted. In the word of Chairman Finn Caspersen:

This adverse impact (of higher Beneficial taxes) would be far outweighed by the positive consequences of tax reform on our customers and thus on the economy and our own business.

Beneficial Corporation and Finn Caspersen should be applauded for having the foresight to remember what so many others seem to have forgotten: Short-term losses through the elimination of one tax break or another should not color our understanding of the larger benefits resulting from a fairer, simpler tax code, which stimulates long-term economic growth and job creation through lower marginal rates.

It is well worth reading Finn Caspersen's statement on tax reform before the House Ways and Means Committee. I commend this testimony to the attention of my colleagues.

The material follows:

FINN CASPERSEN STATEMENT ON TAX REFORM

Mr. Chairman and members of the Committee, my name is Finn Caspersen. I am Chairman of the Board and Chief Executive Officer of Beneficial Corporation and I appreciate your invitation to appear before this Committee to express Beneficial Corporation's strong support of your efforts to reform our tax system.

The President's tax proposals, which Secretary of the Treasury Baker delivered to you almost two months ago, launched what many taxpayers, both individuals and businesses alike, hope will be an historic and successful effort to reform the system of taxation in this country. The yardstick upon which the success or failure of the effort will be measured will, no doubt, be the financial health or our country, its citizens and businesses over the next decade and beyond. Will the legislation raise enough revenue to meet our government's needs? Will the taxpayers view the system as "FAIR" and continue to support it on a voluntary basis? Will the system provide a framework that permits strong economic growth? Will it permit our multinational companies to compete profitably abroad?

We believe that the President's tax proposals provide the cornerstone for a tax system that will produce the most positive answers to those questions.

Today, I am here to explain why we at Beneficial believe this to be true. I speak from the perspective of the leading consumer lender in the country. Beneficial, unlike many other financial institutions, is first and foremost a consumer lender. we do not lend to governments or in any significant amounts to large businesses. Our primary mission is to supply credit to the public at a fair and profitable rate. We provide this credit in many forms—through our 1,135 loan offices in 40 states, Canada and the United Kingdom; through the issuance of Visa and MasterCard cards; and through retailers of all kinds throughout the country. We lend both on an unsecured and secured basis. We are the largest second-mortgage lender in the country. At the end of June, we had $5.5 billion of loans outstanding to more than 2.3 million customers. Most of our customers are the American middle class; with household incomes that typically range from $20,000 to $50,000. Beneficial Corporation's stock is traded on the New York Stock Exchange and is owned by more than 26,000 shareholders.

Our reason for supporting tax reform in the form submitted by the President is very simple . . . We believe it will benefit our customers. Most of our customers will pay less taxes and, therefore, have more disposable income to save, spend or invest. This, obviously, will benefit us directly. As Americans become financially healthier, they will be better customers for our services. As Secretary Baker pointed out in his testimony, most taxpayers will pay less taxes and most of our customers, namely those families with between $20,000 and $50,000 of household incomes, will pay 7.2% less taxes.

It will also benefit the general economy. Many economists believe the economic recovery in recent years was led by the willingness of the consumer to spend and invest. If the tax changes result in more disposable income as predicted by Secretary Baker then the scenario could be repeated.

Beneficial supports tax reform even though its corporate income tax payments will increase in the aggregate by $100 million over the next five years, the period being used to measure the revenue impact of the proposal. The reason for this increase in tax payments is twofold: first, the transition rules in the President's proposals moderate the benefit of the rate reduction during the first five years of the changes; and second, Beneficial like many other companies structured its financial affairs and made investments over the past several years with the specific purpose of minimizing its corporate income tax burden. It would probably no longer be prudent or economically viable to make such investments if the tax reform proposals are adopted in their present form.

I would now like to turn to the specific provisions of the President's tax reform proposals upon which we base our support for tax reform for both our customers and the company. Looking first at our customers, the keys words in the Treasury proposal as it applies to individual taxpayers are "fairness and simplicity." The tax system today has become extremely complex and riddled with provisions for special interest groups; it is perceived by the averaged American taxpayer to be unfair. In order for the voluntary nature of our income tax system to survive, it is important that this perception be changed. We believe that fairness will be achieved by adopting the President's proposals that broaden the tax base, lower tax rates, and eliminate special deductions, special tax credits and other preferences.

Simplicity and fairness are inter-related. A tax system that is complicated is perceived as unfair because its interpretation is restricted to those who can afford to employ tax experts. We do not expect Congress to adopt, in total, the President's proposals for tax reform. However, we believe it's important that, when the dust settles, the average American must feel that he is better off as a result of these changes and, specifically, that his tax burden has been reduced. If this objective is accomplished, and only if this objective is accomplished, will tax reform achieve its stated goals of fairness and simplicity.

The President's tax reform proposals address two specific deductions that are very important to our customers. They are the home mortgage interest deduction and deductibility of consumer interest. We applaud the Administration for stating as one

of the tax reform goals "the home mortgage interest deduction should not be jeopardized." This was enumerated by the President in his State of the Union Address and once again by Secretary Baker before this committee. The President's tax reform proposals permit taxpayers to deduct all of the interest on loans secured on their primary residence. This is of paramount importance to our customers if they are to enjoy the benefits of the American dream of home ownership.

Some have advocated that the home mortgage interest deduction should be limited to the mortgage incurred at the time the house was purchased. We strongly disagree. Implicit in the American dream of home ownership is to one day recognize the increased value in the equity in one's home. Refinancings and second mortgages help middle-class Americans unlock that equity without having to sell their family homes. They are able to finance college educations, pay medical bills, make home improvements or, generally, just improve the quality of their lives. Furthermore, to try to condition the deductibility of interest on the basis of the form of the loan or the use of the proceeds would be inconsistent with tax simplification and would be difficult to enforce and administer.

The President's tax reform proposal further provides that interest expense other than that associated with indebtedness on a principal residence will be deductible up to $5,000 plus investment income. We agree with Secretary Baker that the majority of families will never be affected by the latter limitation; it would serve primarily to curtail the economics of the tax shelters that higher income taxpayers currently utilize to reduce their tax liabilities. We would recommend, however, that the $5,000 limitation be indexed for inflation so that legislative changes will not be necessary in the future if inflation causes interest rates to rise to the very high levels of just a few years ago.

Turning to the reform of corporate taxation, we are pleased to join General Motors, IBM, 3M, R.J. Reynolds, J.C. Penney and many other distinguished companies who have appeared before this committee to support corporate tax reform around two common principles: the reduction in the corporate income tax rate from 46% to 33% and the introduction of the deduction for dividends paid. Like Beneficial Corporation many of these companies will incur increases in their tax burden under the President's proposals. Like Beneficial, they have decided to support this type of tax reform despite the increased cost. They understand that the benefit to their customer and the fundamental fairness which follows from eliminating special preferences and creating a "level playing field" will insure that decisions are based on market motivation not tax considerations. Overall, the reduced rate will encourage economic growth that will lead to better long-term profits for their corporations.

I encourage this committee to look very closely and put a high burden of proof on those companies and those trade associations that argue for the maintenance of special provisions which tilt the playing field in their favor.

Beneficial pays relatively high dividends to its shareholders. We are thus concerned with the partial deduction for dividends paid in the President's proposal. The current system taxes corporate earnings twice. Once when they are earned by the corporation and again when they are received in the form of dividends to its shareholders. While we favor a deduction higher than 10% for dividends paid, we applaud the introduction of the concept and would agree that it should be tempered with the overall need for revenue neutrality.

In conclusion, I recommend and challenge other financial institutions not to limit their testimony today to the impact of the tax reform proposals on their special tax preferences in the Internal Revenue Code. Instead, they should take a broader look at the significance of the reform proposal to the overall economy and especially at its impact on their customers. Ultimately, it will be the health and success of their customers that will control their future profitability. Let's not let the tax system continue to dictate economic decision making. Let the market and consumers provide such initiative.

The tax system should be fair. It should collect enough revenue to support our country and its citizens but not favor one industry over another or one form of capital allocation over another. I agree with many that have come before this committee that the tax laws are now a form of industrial policy. This should be eliminated to the greatest extent possible, in order to introduce a perception of fairness and neutrality in the revenue system.

The job of this committee and Congress is a very difficult one. No doubt with such sweeping tax reform changes there are risks. The answers will not be known nor can the economic result be known with any high degree of certainty. However, the time has come for tax reform legislation to be enacted that is founded on fairness and simplification not special interests. The time for tax reform is now. I learned from listening to our customers that a consensus of the American people want tax reform. We, at Beneficial, are prepared to help you in this historic undertaking for fundamental tax reform. Thank you.

PLIGHT OF MIGRANT FARMWORKERS, SEPTEMBER 4, 1985

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. LELAND. Mr. Speaker, migrant farmworkers are among the most vulnerable workers in our Nation. Low and unstable family income, hazardous working conditions, unsanitary living conditions, the transient nature of their lives, and limited health and social services have led to high infant mortality rates and a lower life expectancy among migrant farmworkers.

The most recent statistics show migrant health to be among the worst in the Nation. The latest available health data for migrant farmworkers notes an infant mortality rate that is two and one-half times the national average. Life expectancy for migrants in 1976 was reported to be 49 years—23 years below the national average.

I would like to commend Molly Moore, Washington Post staff writer, for bringing public attention to findings from a recent report by the U.S. Civil Rights Commission on migrant farmworkers. Her excellent article describes the deplorable and unsanitary living conditions of the migrant farmworker families who harvest the crops on the eastern shore of Virginia.

I am submitting Ms. Moore's article below in hopes that it will awaken our concern for the 2.7 million migrant farmworkers whose labor contributes to making ours the greatest agricultural nation in the world.

VIRGINIA WEIGHS MIGRANT WORKERS' PLIGHT: FEDERAL REPORT SAYS DELMARVA CAMPS AMONG NATION'S WORST

(By Molly Moore)

RICHMOND, August 28.—Virginia Gov. Charles S. Robb's administration, spurred by a civil rights report that said conditions for migrant farmworkers in the state are among the worst in the nation, is proposing sweeping changes to improve migrant labor camps and tighten enforcement of laws protecting the workers.

The administration, taking unusual action for a bureaucracy that long has given migrant problems a low priority, has been conducting its own unannounced investigation of conditions in the state's remote Eastern Shore farmlands. Top ranking officials, who say they have found migrant workers living in housing unfit for humans, said today they will submit their final proposals to Robb within the next month.

"Some say that what's in the [Civil Rights] report is mostly horror stories," said Virginia Secretary of Commerce Betty J. Diener, who donned a pair of old trousers and joined migrant workers picking tomatoes during the investigation. "But they're not untrue horror stories."

The study that alarmed Diener and other Robb administration officials came earlier this summer from the Virginia Advisory Committee to the U.S. Commission on Civil Rights. The report, which the Reagan administration withheld for two years, concluded that the plight of migrant farm workers on the Delmarva Peninsula—a poverty-ridden finger of flat marshland between the Chesapeake Bay and the Atlantic Ocean—has improved little since the Great Depression and that conditions in Virginia were "possibly the worst in the nation."

"I was fairly shocked," said Diener, who has earned a reputation as an activist in a conservative state government. "I called all the agency heads together . . . The report was saying the conditions were the worst in the United States. Why didn't I know about this? We went over there in a hurry."

Virginia officials say their own findings point to major weaknesses in the state's enforcement of health, safety and wage standards for migrant workers. They have discovered that many regulations are not being enforced while some state agencies enforce laws that contradict standards imposed by other agencies.

Their recommendations, still being drafted, are expected to be among the most comprehensive ever proposed by state officials. Some of them, presented publicly for the first time today at a meeting of the state Migrant and Seasonal Farmworkers Commission, include:

Proposals that the state, for the first time, provide funds, grants or loans to farmers for improving migrant labor housing.

A policy-making commission made up of cabinet-level administrators that would coordinate regulations governing migrant workers and attempt to untangle the sometimes conflicting mass of state laws.

Stricter enforcement of health, safety and wage standards.

Improved coordination among numerous agencies providing social services such as food stamps, medical care and education. Officials say they found that migrant workers frequently are victimized by bureaucratic red tape and lose valuable services that government should provide.

State officials say that their findings verify the conditions cited in the federal report, which was prepared in 1982. In many instances, that report was scathing:

"Migrant housing on Virginia's Eastern Shore is deplorable with housing structures ranging from chicken houses to barns," it states. "Commonly cited problems include mosquito infestation, overflowing privies and septic tanks, lack of hot water for bathing, rotten ceilings and roofs, and walls with holes."

Three years later there are some improvements, but state officials say major problems remain in both Virginia and Maryland. Communities such as Exmore, a small crossroads town, have become refuges for migrants. What officials call "outlaw" labor camps—unlicensed ones that go undetected by state inspectors—are commonplace.

At one such camp on the edge of town, workers recently were sleeping in the carcass of a rusting old bus and other abandoned vehicles. They shared a single, weatherbeaten outdoor privy. Beer cans and trash were strewn across the bare dirt that surrounds the vans and cars.

To the north and a few miles from Crisfield, Md., a town known for its annual crab festival, is the massive Westover labor camp with its rows of ramshackle dormitories. Once a World War II camp for German prisoners of war, Westover has been taken over by Maryland growers and it serves each summer as a temporary home for hundreds of Haitians, Mexicans, blacks and others who work the nearby fields. Families are squeezed into tiny, one-room cubicles and dozens of toddlers play unattended underneath huge pieces of farm equipment and trucks in the barren yards.

In a shabby two-story clapboard house perched on the marshy edge of a bay inlet is a group of migrants from a homeless shelter in New York City. They sleep on filthy mattresses covered by dirt-encrusted blankets. Their few possessions are stashed in plastic garbage bags under sagging cots. Two outhouses, on the edge of a nearby potato field, provide their only sanitary facilities.

Some of the laborers say they are resigned to such housing. "You're lucky if you can make enough to pay to live in an abandoned house," said Wilbert Riley, a migrant worker. He said he spent two weeks in an old vacant house just off Exmore's main street while he worked the cucumber and tomato fields.

While housing may be the most visible problem of the migrant workers, the civil rights report and migrant worker advocacy groups say that wage and labor abuses are rampant. Crew leaders frequently cheat workers and pocket money from their pay that should be funneled into Social Security and other tax payments.

There is, for example, the 63-year-old migrant laborer who has been working from Florida to the Delmarva Peninsula since 1937. A migrant advocacy group discovered recently that Social Security Administration has recorded his total at only $20,332 for his 46 years as a farmworker.

In other cases, lawyers representing migrant workers say many crew leaders routinely avoid paying workers the federal minimum wage of $3.35 an hour by underreporting the number of hours their crews work. That often makes it appear the workers were in the fields for relatively short periods and earned the required wage when they actually worked longer and earned far less than they should have.

Few of the numerous federal and state laws imposed during the past decade to protect migrant workers are being enforced, some officials say. Virginia officials say agencies that do attempt to enforce them frequently find the regulations so riddled with loopholes that violations often go uncorrected.

"Migrant workers are just falling between the cracks of every jurisdiction where they work," said Wanda Hoffman, Virginia representative to the U.S. Commission on Civil Rights.

Each summer as many as 8,000 laborers and family members migrate to the Eastern Shore, following the harvest seasons into the tomato, potato, watermelon and pepper fields of the Delmarva. While thousands of summer tourists drive U.S. Rte. 13, the Coastal Highway, most remain oblivious to the dozens of labor camps hidden behind the miles of lush groves of hardwood trees.

Although states are required to regulate the camps, Virginia officials concede they don't know how many of the camps exist, much less have an accurate count of the number of migrant workers in the state. Of the camps that are licensed by state governments as migrant housing, officials estimate that at least one-third of the known facilities are substandard.

A "Guide for Serving Migrant Farmworkers" used by Virginia agencies, points to the problem. "With a bit of initiative and inquisitiveness, it should be possible to ferret out many other locations throughout Virginia where migrants are housed," it says.

Officials say they depend on word-of-mouth reports from various farmworker advocacy groups for information about migrants. This summer Virginia officials say they issued permits for only about half of the 130 migrant labor camps on the Eastern Shore that were reported to them by Delmarva Rural Ministries. The group is a private, federally funded organization that provides health care for migrant workers.

Even when camps are located, Virginia officials say laws regulating them are so lax that the most basic health and safety regulations often cannot be enforced. Virginia law requires only camps housing at least 11 workers to be licensed by and subject to state regulations.

"We might get a report that a camp has 15 people and when we go there we find only nine or 10," said Dr. James B. Kenley, Virginia State Health Commissioner. "They play the numbers game on us."

During one year, despite widespread reports of health and safety violations in the camps in Maryland, only one labor camp was refused a permit to operate. Even then, it was allowed to remain open without the required permit, according to the federal report.

State officials in Maryland and Virginia say they have the authority to cite camps for violations, but have no power to shut them if operators refuse to comply with the laws.

Virginia places strict regulations on camps that house farm workers recruited through the Virginia Employment Commission. The result is that very few crew leaders or growers use the state's job service, thus avoiding compliance with the standards.

Farmworker advocacy groups estimate that about one in four of Virginia's migrant labor camps are operating with serious violations of health and safety codes. Gregory Schell, who heads the Legal Aid Bureau that covers the Delmarva Peninsula, calls that an improvement over the past season when he estimated more than 75 percent of the camps were severely deficient.

Virginia state officials credit Legal Aid Services with forcing improvements through a summertime blitz of complaints last year that prompted the Department of Labor to conduct about 100 investigations of migrant camps. The department imposed $67,875 in civil penalties on growers, but a spokesman said it has collected less than a third of that amount.

While many growers upgraded their housing this year, "some still were really not fit for human beings to live in," said Eva S. Teig, Virginia's Commissioner of Labor and Industry. Teig, a Robb appointee and coordinator of Virginia investigation.

Some state officials say that they are hampered because many local governments in the poverty-stricken Delmarva farmlands have no housing codes or health standards. The two Virginia counties on the southern end of the peninsula are among the poorest in the state.

"They say it's hard to enforce the labor camp housing when local housing is sometimes worse," said Mary Ellen Beaver, a Legal Services field worker. "That's no excuse."

Law enforcement problems are compounded by the high visibility of outsiders on the Shore. "As soon as you go across the bridge [from Virginia Beach] with a state seal on your car, things seem to disappear," said Civil Rights representative Hoffman. "Obviously you're going be noticed as an outsider, and in plenty of time."

Until recent years, federal and state laws held crew leaders—migrants themselves who lead the bands of laborers—responsible for complying with housing and wage regulations. Because officials said it was virtually impossible to enforce those laws, new requirements hold both the crew leader and the farm owner responsible as "joint employers."

That has angered farmers who are facing their own economic problems.

"The farmers are very, very bitter about being made corresponsible for crew leaders," said Philip McCaleb, chairman of the Virginia Migrant and Seasonal Farm Workers Commission, a panel appointed by the governor and charged with monitoring the conditions of migrant workers. "The [law] has been put in strictly because the enforcement agencies and bureaucrat have been unable to enforce rules and regulations against the crew leaders. They're being punished because bureaucrats can't do the enforcement jobs against the people that had been responsible."

Schell, who has taken several growers to court over failure to pay their migrant laborers, says the new system has forced many crew leaders to adhere more stringently to federal wage and tax requirements. Still, Schell estimates that as many as 40 percent of all migrant workers on the Shore are being cheated on their wages and tax payments.

"There has been long-standing flaunting of the law," said Schell.

It was the reluctance of federal officials to act on their own report that partially spurred Virginia officials to chart their own plans to deal with some of the breakdowns in the state government that have contributed to the problems facing migrants.

"What you end up with is a terribly complex problem that no one seems to be able to get a handle on in unison," said Labor Commissioner Teig.

RESPONSE FROM AMBASSADOR ON MEXICAN ELECTIONS

HON. BARNEY FRANK

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. FRANK. Mr. Speaker, before our recess I submitted an editorial from the Washington Post for inclusion in this RECORD which discussed abuses of the democratic process in the recent Mexican election. Shortly thereafter, I received a letter from the Mexican Ambassador, differing with my views, and submitting two other editorials critical of Mexican elections along with his rebuttal to those editorials. He expressed the view that it would be in the interest of free debate for this packet of material also to be added in the RECORD. I agree because I continue to believe that the Mexican Government was untrue to democratic principles in the way in which it allowed the recent elections to be conducted. And I therefore ask that my correspondence with the Mexican Ambassador as well as the editorials from the New York Times and the Wall Street Journal and the Mexican Ambassador's answer to those editorials be printed here.

EMBAJADA DE MEXICO,
Washington, August 5, 1985.

Hon. BARNEY FRANK,
House of Representatives,
Washington, DC.

DEAR MR. FRANK: I read with interest your statement at the House of Representatives (July 31, 1985) asking to incorporate in the Congressional Records the editorial article of the Washington Post "Elections, Mexican Style", due to your concerns about the violations of human rights of minorities, wherever they may happen.

As your sources of information on these matters do not limit themselves to just one newspaper, I am enclosing two more editorials (of The Wall Street Journal and The New York Times) related to the same issue, as well as the public answers that I gave to their allegations.

I am sure that your sense of justice and fairness will foster the inclusion in the Congressional Records of these four Documents too.

On the other hand I suppose that you agree with me on the fact that irregularities and violations are part of the price of insisting in a democratic electoral process within a political system of individual freedom. Even in such a developed country like the United States and according to recent front page articles of The New York Times—which I am also enclosing—there are some suspicions and complaints of electoral fraud notwithstanding the highly sophisticated computarized systems at their disposal.

Furthermore, to complain about violations in an electoral process—as I have stated in both my letters to The Wall Street Journal and The New York Times—is an effective way of drawing sympathy from many people not sufficiently informed towards losing parties that did not reach the success they hoped for.

Finally, and due to your interest on the recent Mexican elections, I am also gladly enclosing a copy of our press-release 14/85 from July 24th, which points out their main results and gives a brief explanation of the Mexican Electoral System.

With my best regards, I remain

Cordially yours,

JORGE ESPINOSA DE LOS REYES,
Ambassador.

HOUSE OF REPRESENTATIVES,
Washington, DC, August 13, 1985.

Ambassador JORGE ESPINOSA DE LOS REYES,
Embassy of Mexico,
Washington, DC.

DEAR MR. AMBASSADOR: I appreciate the time you took to respond to my public criticisms of the way in which the recent Mexican elections were conducted. I have read the letters to the editor you sent to the New York Times and Wall Street Journal, as well as your letter to me. Nowhere in any of these documents do I find any rebuttal of the very specific, first-hand reports of electoral abuse which I have read in respected American newspapers of varying political opinions. I continue to believe that the recent elections in Mexico were marred by abuses which are inconsistent with a respect for democracy.

I agree with you that "irregularities and violations" are present in many electoral systems. But there is a critical difference between the Mexican experience, as reported in a number of dispatches which I find credible and well documented, and experiences in other countries, including the United States. Here, the role of the federal government has been to combat these irregularities and to try to abolish them. My sense from what I have read and heard—strengthened by the absence of any rebuttal—is that the Mexican government was unwilling to take any firm action against these abuses, and may indeed have encouraged some of them. The fact that there are possible abuses in computer voting, as reported recently in the New York Times, in no way is analogous to what is reported to have happened in Mexico. Had there been a pattern of such abuses in the recent elections in the United States, or in other democratic nations, it would have been relevant for you to cite those. The fact that there are potentials for abuse in computer voting in no way is comparable to the officially sanctioned abuses that appear to have occurred in Mexico.

At your request, I will be submitting to the Congressional Record when we reconvene the two editorials mentioned, as well as your rebuttals to them, and I believe it would be helpful if I included this correspondence as well.

BARNEY FRANK.

[From the New York Times, July 13, 1985]

STILL ONE-PARTY MEXICO

Mexico's electoral system, as again displayed this week, is an undemocratic anomaly. Citizens may vote for parties of their choice but only one of them, the Institutional Revolutionary Party, is allowed to win. This puts Mexico in the uncomfortable company of Chile, Haiti, Paraguay, Cuba and Nicaragua—the other Latin Governments that permit no significant opposition. That is odd company for a society long associated with the cause of Latin American democracy.

Why Mexicans put up with this anomaly is something of a riddle. They have largely surrendered their political life to the electoral machine of the Institutional Revolutionary Party, or P.R.I. For 56 years they have permitted it to elect every President, every state governor, most mayors and the overwhelming majority of each national Congress.

The party used to boast, with some justice, that it repaid this trust by substituting stability, liberty and economic development for the pre-revolutionary upheaval and decline. But those gains have long since been absorbed. Modern Mexico is an increasingly urban, industrial and complex society that should not have to suffer monopoly rule. The unofficial election results from this week's balloting suggest a desire for change. But they also suggest that the desire will continue to be frustrated.

The National Action Party was thought to have a shot at one or two state governorships in northern Mexico. To beat back the challenge the P.R.I. used all its weapons, from the open flaunting of patronage to instances of apparently outright fraud. Reports accumulate about absent poll watchers, suspicious voter lists, missing ballot boxes, taxis full of uncounted ballots, subtotals reported in implausibly round numbers.

Yet despite these obstacles, the National Action Party may have captured an unprecedented number of congressional seats—it claims 16 of the 300 directly contested seats. In the last Congress the P.R.I. held 299.

The P.R.I.'s component units are theoretically providing indirect representation for groups of workers, peasants and other population sectors. But it has become mainly a permanent bureaucracy, governing through patronage and riddled with corruption clear to the top. Mexico preaches something better, and deserves it.

[From the New York Times, July 27, 1985]

IN DEFENSE OF MEXICO'S MAJORITY

To the Editor:

"Still One-Party Mexico" (editorial, July 13) is biased since, among other not very objective comments, it asserts that although "citizens may vote for parties of their choice, only one of them, the P.R.I., is allowed to win."

In this regard, one may ask: Allowed by whom? Elections in Mexico are supervised by a federal electoral commission and by state electoral commissions, all of which include representatives from all of the nine officially registered parties. In the event of a properly documented complaint, the party that considers that its interests have been negatively affected by the majority vote of the corresponding commission can appeal its case to the Supreme Court of Justice or High State Courts of Justice.

To complain of irregularities in the electoral process is a political artifice frequently used in many countries by the losing parties, whatever their ideology, because it is an effective way of drawing sympathy from many people not sufficiently informed.

The not very objective comments by many journalists, and their obvious interest in reporting sensational events, have fostered publication of articles showing a profound lack of understanding of Mexican political realities, primarily based on rumors and complaints—which were only to be expected—from parties that did not achieve the success they hoped for.

Moreover, the editorial concludes with the patronizing assertion that "Mexico preaches something better, and deserves it." This is a generalization valid for all countries since, in one way or another, all nations seek to

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improve within their own scale of values and cultural models.

It is important to point out that new political leaders have been elected by Mexico in each of its electoral proceedings; this has undeniably been the continued decision of the majority of Mexicans and of Mexicans only.

Most of the voters believe that their legitimate popular representatives have gradually promoted the country's development and maintained domestic and international peace for several decades, notwithstanding the crises and hardships that Mexico, like even already industrialized countries, has faced throughout its long process of development.

JORGE ESPINOSA DE LOS REYES,
Ambassador of Mexico.

Washington, July 17, 1985.

[From the Wall Street Journal, July 12, 1985]

MEXICAN DEBACLE

It is time for Mexico's responsible leaders as well as the country's friends outside to sit down and do some serious stock-taking. Mexico is a troubled nation, a fact made plain by last weekend's midterm elections. It is not merely that the ruling Institutional Revolutionary Party (PRI) practiced some ballot-box fraud. As the nearby Americas column by Journal reporter Steve Frazier makes clear, PRI's behavior in many Mexican polling places was so unabashedly brazen and unapologetic as to turn the Mexican elections into a pathetic event.

The days leading up to the elections were full of promise. A serious and historically unprecedented challenge to PRI's hegemony by the National Action Party (PAN) held the prospect of giving birth to a two-party system, or at least some serious political competition, in Mexico. For that reason, observers and friends of Mexico were watching the election with extraordinary interest. President Miguel de la Madrid must be personally embarrassed at being unable to redeem his promise of honest elections. They were instead a travesty. No doubt many officials in Mexico's current government will take offense at the harshness of this assessment. But Mexicans should understand that this criticism is born of concern and interest in their future.

The affairs and relationships of the world's nations are becoming increasingly integrated, and much of this has to do with expanding world trade. Many less developed nations, often in Asia, are exercising their comparative advantage aggressively, driving world markets forward and thereby improving the economic well-being of all actively participating nations. Because of their size or historical importance, certain countries are regarded as natural, potential leaders in this process. A partial list would include India, China, Brazil and most certainly Mexico, which in addition shares a 2,000-mile border with the U.S.

It is not in the interest of the developing world or of the U.S. in particular to have a nation of such enormous potential as Mexico giving strong evidence that when the train of history pulls toward the 21st century, Mexico won't be on it. While its intense nationalism is understandable historically, Mexico's political future is inevitably bound up with the political and economic system of its large northern neighbor. Put precisely, this means that while Mexico will properly develop within the framework of its own national and cultural institutions, there is little chance of prosperity spreading to all Mexicans without the creation of two critical factors—political and economic freedom. We do not see how the Mexican governing institutions can escape from either, as PRI attempted to do in last weekend's elections.

Though it's true that Mexico has been ruled by a single party for most of the century, it is no Cuba. People speak, move and publish freely in Mexico. The country is developing an educated middle class. Mexico's admirable system of personal freedom has, in short, created a large population of smart, opinionated people. This explains why an opposition party like PAN has come into existence; it's hardly surprising that progress and modernization would impinge on PRI's closed system of political and economic rewards.

PRI and the Mexican government can try to adapt to this healthy political development, as President de la Madrid sometimes has. Or they can try to kill it, as PRI did last weekend in Nuevo Leon and Sonora. But efforts to prop up such an increasingly artificial political system have serious economic implications. While many of Mexico's most motivated workers surge into the U.S, Mr. de la Madrid is left with a politically dispirited and cynical population to respond to his government's efforts at economic reform. And when a party system is willing to endure international obloquy to steal elections, it will scarcely be likely to attract needed foreign capital. More important, it will not be able to offer the opportunities to being back the capital its own citizens have moved abroad.

We don't mean to underestimate the difficulty Mr. de la Madrid and his associates face in joining Mexico to the modern world economy. But as part of the process, Mexico has to recognize its own importance. It is far too crucial a nation to escape having its politics scrutinized by the rest of the participants in an increasingly integrated world. We wish the best of luck to Mexico in general and Mr. de la Madrid in particular, but last weekend's elections must be marked down as a victory for the past.

[From the Wall Street Journal, July 25, 1985]

MEXICO'S ELECTION RESULTS

Your July 12 editorial "Mexican Debacle," regarding the recent elections in Mexico, can hardly be considered objective. One gets the impression that you either had a vested interest in the success of the conservative political party PAN or, because of the predictions and information received from observers prior to the election, felt your expectations frustrated and now wish to justify mistakes in evaluation and analysis. These observers seem not to have taken into account that the majority of the independent surveys conducted before the election forecast a general success for the PRI. If this is the case, instead of unleashing bitter criticism against the Mexican system, the editorial should deal with your own sources of information.

It would be interesting to know whether your reaction would have been the same if, instead of the conservative PAN, it had been a socialist party threatening to take the victory from the PRI, and complaining about "flagrant" violations of the electoral process. Complaining of the results of an election is a political tool—perhaps not a very elegant one, but an effective way of drawing sympathy from many people not sufficiently informed.

A country and its political system cannot be judged by one electoral campaign. To be able to understand and to analyze that country's electoral processes in an objective manner, it is necessary to study its history and political movements in depth. Superficial analysis may be the reason why the article suggests that a bi-party system is the only legitimate form of democracy. To deny the Mexican multiparty system is to deny right of expression and political participation to other ideologies and ways of living equally respectable.

On the other hand the editiorial is unfair to the Mexican nation in saying that "many of Mexico's most motivated workers surge into the U.S.," while "Mr. de la Madrid is left with a politically dispirited and cynical population." However, pretending to be balanced, the article contradicts itself in another paragraph, indicating with patronizing attitude that "Mexico's admirable system of personal freedom has, in short, created a large population of smart, opinionated people."

JORGE ESPINOSA DE LOS REYES,
Ambassador of Mexico.

Washington.

PRAYER ON THE DEATH OF APARTHEID

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. FAUNTROY. Mr. Speaker, on August 12, 1985, a march and demonstration was held in protest against the Government of South Africa's practice of apartheid. During the event, Rabbi Andrew Baker, Washington, DC, director of the American Jewish Committee, delivered a moving statement and prayer which illuminated the moral issue involved in the Free South Africa Movement. I present the text of the prayer for the benefit of my colleagues:

YITGADAL V'YITKADASH SHEMAI RABAH . . .

The Kaddish is well-known as the traditional Jewish prayer recited at times of mourning. When word of a death is first heard, when people have assembled for funerals, when the anniversaries of those losses are marked, we say Kaddish.

It is ironic, then, that the Kaddish, this special prayer for the dead, nowhere in its contents mentions death. Ironic, but fitting. For it acknowledges a truth we all know but seldom admit: The dead are at peace; funerals are for those who must continue. They are the ones who now need comforting. They are the ones who now need strength. They are the ones who now need God's blessing. They are the ones who now need our help.

Everyone knows that Apartheid is evil. It requires no special study, no complex analysis. But until recently it has been a problem easy to ignore. After all, it's on a distant part of the globe, complicated by a strategic location, essential minerals, an important anti-Communist ally, and the like. This sort of thing is best left to diplomats and professionals, we are told. We all know there's nothing worse than a few amateurs trying to mix morality and international politics. But Apartheid is evil, and it can no longer be ignored. These coffins arrayed below are here to tell us that.

Ecclesiastes teaches us that, "The dust returns to the earth as it was; and the spirit returns to God who gave it." But the memories are for us, the living.

And we do have memories now. We may never have known any of the lives whose names are stenciled on these boxes. But the evening news and the daily papers are bringing us graphic images of lives very much like theirs, and of deaths very much like theirs. Youngsters at a time in their lives when the future should look brightest, swept up instead by a wave of frustration and hopelessness. Civil rights workers and anti-Apartheid demonstrators, brought down by assassins' bullets or the random firings of uniformed police. And those caught in the middle—Asians and "coloreds" with only a little more priviledge and a little less misery, and homeland officials and informers and collaborators, too—who must also be counted as victims of the state-sponsored evil. These are the memories we now recall, the hundreds of deaths that have already occurred and the hundreds more that we know are still to come.

"I lift up my eyes to the mountains. From where will my help come? My help will come from the Lord, the maker of heaven and earth." All of our religious traditions share the common belief that there is a God of justice, the creator of all, and that, in time and with our help, the peace and order that reigns in the heavens will descend on all of us as well. There is much for us to do, much we will need to accompany our prayers. There is much for us to do, if a system founded on injustice is to be overturned. There is much for us to do, if peace and harmony are to descend on that distant, troubled land. There is much for us to do, if the wickedness of Apartheid is to be erased from this earth.

We are gathered today to mourn the victims of that wickedness, and to insure that their deaths will have meaning. The authors of the Talmud wrote that, "The righteous are called 'living' even when they are dead, and the wicked are called 'dead' even when they are living."

Those coffins below are nothing but cardboard boxes, visible tokens for us who have assembled at this symbolic funeral. But it is the evil of Apartheid and its supporters that today we call dead. True, we are gathered at a funeral, but it is Apartheid and not its victims that we have come to bury. The living God reminds us that our place—the place of America, its government and its leaders—must be with the victims.

Baruch Ata Adonai, Dayan Haemet.

Praised are you, O Lord, the judge of truth."

OPPOSE CONRAIL TAKEOVER

HON. CARROLL HUBBARD, JR.

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HUBBARD. Mr. Speaker, I received a letter from one of my constituents, B.J. Goodwin of Fulton, KY, which I believe might be of interest to my colleagues. B.J. Goodwin is general foreman of Illinois Central Gulf Railroad at Fulton and is strongly opposed to a Conrail takeover by Norfolk Southern Corp.

I hope my colleagues will take the time to read his comments about smaller, class I railroads—such as Illinois Central—and the need to preserve the railroad industry in the best interests of the Federal Government, shippers and the consumers in our country.

The letter to me from B.J. Goodwin is as follows:

FULTON, KY,
July 9, 1985.

HON. CARROLL HUBBARD, JR.,
U.S. House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CONGRESSMAN HUBBARD: I am writing to you to solicit your support in opposition to a Conrail takeover by the Norfolk Southern Corporation, House Bill H.R. 1449. I believe a Conrail sale should be a public offering of stock. If this is impossible, I believe a non-railroad buyer would be the only way to preserve competition.

Over the last 10 years increased concentration of the railroad industry into larger rail systems with their ability to divert traffic from smaller, Class I railroads such as my line, the ICG, has been a significant factor requiring us to reduce our size and the number of employees.

Please support my belief and the hopes of other ICG employees and oppose the Conrail sale to the Norfolk Southern. We believe the sale to a non-railroad buyer would be in the best interests of the government, the shippers and the consumers in the northeast, midwest and southeast. I understand the unions also oppose a Norfolk Southern takeover of Conrail.

Sincerely,

ILLINOIS CENTRAL GULF RAILROAD,
B.J. GOODWIN,
General Foreman.

LEGISLATION TO FACILITATE TRADE AND TOURISM

HON. CHARLES E. SCHUMER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. SCHUMER. Mr. Speaker, today I am introducing legislation to facilitate trade and tourism between the United States and Canada by allowing Canadian bus drivers to enter the United States on appropriate visas. This legislation will correct an unintended inequity in our immigration laws that allows airline and ship crews to stop in the United States in the course of their business but does not allow the same privilege to motor coach drivers. My bill, which has also been introduced by Senators DECONCINI, LEAHY, and D'AMATO in the other body, would bring bus drivers under the same immigration provisions as ship and airplane crews.

Because of the current defect in the immigration laws, travelers in the Northeastern United States, particularly in New York, face the threat of a disruption in bus service. In recent years, Greyhound Bus drivers on routes that service points in both Canada and the United States have had trouble obtaining visas to drive their routes. Indeed, since 1983, these drivers have only been allowed to work under "emergency parole status," which will expire without chance for renewal in 1986.

Without this legislation, Greyhound will be forced to suspend its service between Canada and the Northeastern United States because it will no longer be able to hire Canadian drivers. Moreover, if the company must discontinue international service, it will be forced to discontinue several domestic service routes as well, because they are not profitable without the international component. The company has investigated all other alternatives—such as changing drivers at the border and using U.S. drivers for service from Montreal—but none are economically or logistically feasible.

This change in law will not adversely affect U.S. jobs. Indeed, it will preserve some, since jobs filled by U.S. citizens would be lost if Greyhound were forced to discontinue these routes. The bill has the support of both Greyhound and the drivers' union. I hope my colleagues will join me in support of this effort to preserve jobs and promote commerce between the United States and Canada.

I insert the text of the bill in the RECORD:

H.R. 3236

A bill to amend the Immigration and Nationality Act to provide for the temporary admission to the United States of the operators of motor common carriers of passengers

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 101(a)(10) of the Immigration and Nationality Act (8 U.S.C. 1101(a)(10)) is amended by inserting before the period at the end thereof the following: "or, for the purposes of paragraph (15)(D) of this section and sections 245, 252, and 257, a person serving as an operator of a motor common carrier of passengers".

(b) Section 101(a)(15)(D) of such Act (8 U.S.C. 1101(a)(15)(D)) is amended—

(1) by inserting "(i)" after "as such"; and

(2) by inserting before the semicolon at the end thereof the following: ", or (ii) as an operator of a motor common carrier of passengers engaged in regular route transport across an international boundary who intends (I) to travel to his destination in the United States with intermittent stops as prescribed by the schedule established by the carrier, (II) to remain in the United States temporarily and solely in pursuit of his employment as an operator of such a carrier, and (III) to depart from the United States with the carrier on which he arrived or some other motor common carrier of passengers".

(c)(1) Section 252 of such Act (8 U.S.C. 1282) is amended by inserting "or stay" after "to land" each place it appears.

(2) Section 252 of such Act is further amended—

(A) in subsection (a)(1), by inserting after "port" the following: "and the period of time during which the motor common carrier of passengers remains in the United States in accordance with the schedule established by the carrier"; and

(B) in subsection (a)(2) and in subsection (b), by striking out "or aircraft" each place it appears and inserting in lieu thereof ", aircraft or motor common carrier".

(d) Section 257 of such Act (8 U.S.C. 1287) is amended by striking out "or aircraft" each place it appears and inserting in lieu thereof ", aircraft, or motor common carrier".

REV. JERRY FALWELL AND SOUTH AFRICA

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. STOKES. Mr. Speaker, Rev. Jerry Falwell, leader of the Moral Majority, has let America and the world know just where he stands on the preeminent moral issue of our day—apartheid in South Africa. Jerry Falwell is not on the side of justice. He is not on the side of morality.

Instead, Rev. Jerry Falwell is on the side of the immoral, racist, and repressive South African Government. In effect, he is a supporter of apartheid.

During a recent trip to South Africa, the man regarded as a key religious leader in America, lent his support to one of the most unchristian and immoral governments in the world—South Africa. Jerry Falwell stated that he supported the token reforms the Botha government has announced. Then, this so-called religious leader labeled his religious brother, Nobel Peace Prize winner Bishop Desmond Tutu, a "phony." Finally, Falwell announced his personal crusade to benefit the minority run Pretoria government. He is launching a $1 million public relations campaign to encourage American investments in South Africa.

Mr. Speaker, America and the religious community now know just where Jerry Falwell stands. On the issue of South Africa, he is not on the side of justice and righteousness. Rather, he stands on the side of immorality and injustice.

We now must question how a man of God could take such a warped position in the midst of the shocking facts. In South Africa, 24 million blacks live under the domination of 5 million whites. The majority has been relegated to segregated and undesirable homelands which comprise only 10 percent of the land. Black South Africans are victimized daily by a host of Government-imposed economic, social, and political discriminatory practices. As the impatience of black South Africans to apartheid and the Government's heavy-handed retaliatory actions grow, the death toll and arrests mount.

Through his recent statements, America's Moral Majority leader stands today with the immoral minority Government in South Africa.

Mr. Speaker, at this time, I would like to insert in the RECORD a recent Cleveland Plain Dealer article on Rev. Jerry Falwell and the South African Government.

[From the Cleveland (OH) Plain Dealer, Aug. 24, 1985]

FALWELL TIPS HIS HAND, AND IT'S ALL THUMBS

(By Darrell Holland)

Paint Jerry Falwell black and send him to South Africa to live.

If that were possible, it would be one way that the leader of the so-called Moral Majority in the United States could begin to understand how bad it really is for blacks living under apartheid.

During a visit this week to South African President P. W. Botha, Falwell revealed his insensitivity to the pain and agony of the 24 million blacks who live under the unjust domination of the 5 million whites in South Africa.

At the very time that Anglican Bishop Desmond Tutu, a delegation of leading South African churchmen and a host of other religious leaders from around the world, including Pope John Paul II, condemned South Africa's oppressive racial laws, Falwell said he supported the very limited (but mostly meaningless) racial reforms Botha proposed.

In doing so, Falwell revealed his lack of understanding of the biblical ideal of justice and righteousness.

There is no doubt that the Old Testament prophets, noted for their proclamation of social and economic justice, would roundly condemn legally imposed racial separation such as exists in South Africa.

And, it is indeed difficult to understand how the command of Jesus to love one's enemies, as well as one's neighbors, could be fitted into a system under which blacks are treated as inferior.

"Indeed, how is it that a man of Falwell's supposedly Christian background can support a system that treats his black brothers and sisters as inferior?" asked one American black this week while expressing dismay at Falwell's failure to morally condemn South Africa for its racial policies.

It has been said before that Falwell's brand of Christian fundamentalism is hardly moral and that it does not represent a majority of American Christians, as its name implies.

In regard to his views on South African treatment of blacks, there can be no doubt that his views are not based on Christian morality or ethics.

And in light of the fact that legalized segregation has largely been dismantled in the United States, either by changing laws or by the courts enforcing the Constitution, it seems unlikely that a majority of Americans would support Falwell's misguided views on South Africa.

Support for apartheid from any religious leader, and especially one held in such esteem in the United States as well as in many other nations, is reminiscent of the Christian leaders in Germany who supported the Nazi regime and its murder of Jews, Gypsies and other Europeans.

Morally, it is a disgrace that Falwell endorsed, as news reports said, Botha's analysis that apartheid is only a system of racial and tribal compartmentalization by which South Africa is governed and that apartheid reflects a social reality, not a policy, and that reform is the government's policy.

If apartheid is a mere social policy, then it is one that dictates that most of the blacks remain poor, while whites are wealthier; this forces a majority of blacks to live in so-called black homelands that make up a little more than 10% of the nation's land mass and is the poorest land in the nation.

Apartheid divides families by making it necessary for fathers to leave their homes to seek jobs, forces blacks to carry passbooks wherever they go and makes them liable for jailing if they do not and denies equal education and employment to blacks.

Opposing proposed economic sanctions against South Africa and, in fact, voicing strong support for American companies that continue to do business there, Falwell has revealed a social and moral conscience that operates at somewhere near kindergarten or preschool levels.

Falwell's meddling in South African affairs, especially in such a sensitive area as race relations, poses a danger to the lives of blacks and whites there. Some observers of the South African scene have suggested that the recent attempts by blacks to attain justice and freedom will not be stopped until whites willingly permit blacks full citizenship.

If the white minority does not respond willingly, permitting blacks to become equal participants in the nation's government and social and economic life, then many are predicting a revolution that could turn out to be one of the worst bloodbaths in modern history.

Botha, and most other South African whites, already have displayed a stubborn intransigence against removing or even reforming apartheid.

To have Falwell, to whom South African whites are likely to attribute greater influence than he really has in the United States, appear to endorse Botha's present policies, likely will make South African whites even less willing to remove apartheid.

That could lead to the bloodshed many already believe is inevitable in South Africa. Other church leaders, including Tutu, have pleaded with Botha to attempt to avoid this.

With all the money he collects from his begging for contributions on his religious television broadcasts, it is likely that Falwell's organization could buy a large number of the one-ounce Krugerrand gold coins produced in South Africa.

He said he was going to urge Americans to buy them as a sign of support for South Africa.

"We are going to present our cause," in a million homes through television, Falwell said, to oppose economic sanctions that Congress might enact.

Falwell, who has decried the violation of human rights in Communist nations, apparently believes social injustice is quite correct in South Africa, a nation he described as a friend of the West.

Western friend or not, President Reagan, himself no friend of sanctions, is far more moral in his judgment, made earlier this year, that "apartheid is repugnant."

Falwell is ethically and morally ignorant in his views on South Africa's racial policies.

WESTWAY TRADE-IN DEADLINE SHOULD BE EXTENDED

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. BIAGGI. Mr. Speaker, today I am introducing an emergency measure that would extend until December 31 the deadline New York has to "trade in" Federal funds already designated for the Westway highway project for an estimated $1.7 billion in Federal mass transit aid. The current deadline for the trade-in is September 30.

This proposed extension should be viewed as an emergency stop gap measure aimed at protecting the best interests of New York City. It is not designed to either save or kill the Westway project, but rather, it will provide city and State officials the necessary time to fully evaluate

whether a trade-in of Federal highway for mass transit dollars is the right course to take.

Last month a Federal judge issued a permanent injunction blocking construction of the proposed 4.2-mile highway that would connect the existing Henry Hudson Parkway with the Brooklyn Battery Tunnel. City and State appeals of that decision, which are now underway, are expected to take the case all the way to the U.S. Supreme Court, a time-consuming process that will certainly extend beyond the current September 30 deadline for trading in the Westway funds for mass transit aid.

The December 31 deadline should be ample time for the Westway trade-in dilemma to be resolved in a fair and thoughtful manner.

Congress approved Federal Interstate Highway assistance for the Westway project in the early 1970's. This authority would allow 90 percent of the cost of highway construction, or about $1.96 billion, to be covered by the Federal Government. Under a 1973 law enacted by Congress, New York could trade in that highway money for about $1.7 billion in Federal mass transit aid.

At this time, Mr. Speaker, I insert a recent New York Post article discussing the Westway dilemma in more detail:

[From the New York Post, Aug. 8, 1985]

WESTWAY BOMBSHELL: U.S. JUDGE KILLS $4B SUPERHIGHWAY PROJECT; CUOMO VOWS TO APPEAL

(By Marvin Smilon, Barbara Ross, George Arzt, and Fredric Dicker)

Westway came to a screeching halt yesterday as a federal judge in Manhattan issued a permanent injunction blocking construction of the controversial $4 billion West Side highway.

In a harshly critical 132-page decision, U.S. District Judge Thomas Griesa said Westway is not a highway but a "redevelopment" project—and thus ineligible for billions of dollars in federal highway funds.

Gov. Cuomo said the state would move immediately to appeal the ruling.

"Judge Griesa's decision to block construction of Westway is unfortunate, and we will seek an expedited appeal of his ruling," the governor said.

"We do not believe Judge Griesa will be sustained on appeal."

Mayor Koch said he backed Cuomo's move "100 percent," adding: "I'm not throwing in any towels."

Griesa also labeled "incredible" an Army Corps of Engineers claim that Westway's impact on the Hudson River's striped bass population would be "minor and inconsequential."

Griesa's permanent injunction bars the Corps from giving Westway a vital permit needed to create 200 acres of landfill on the Hudson shore.

He also barred the Federal Highway Administration from paying 90 percent of Westway's bill—estimated at up to $4 billion.

And he blocked New York State from building the highway.

In a clear attempt to conclude the often-bitter, 11-year legal battle, Griesa insisted "two failures to justify the Westway landfill and federal funding for Westway under the applicable legal standards should bring the matter to an end.

"There is simply no legitimate purpose to be served by further proceedings."

Koch said Griesa's decision was, "extremely important" and "would mean the end of the roadway unless the injunction is reversed by a higher court."

The project has inflamed political passions ever since it was first proposed in 1974.

Critics charged that the four-mile, multilane highway on landfill in the Hudson River from the Battery to 42nd Street was a massive boondoggle.

The project also called for 95 acres of park land and 100 acres for commercial development.

Supporters insisted the highway would be a economic boon for the West side, solving traffic problems and creating thousands of jobs.

The city and state now face a Sept. 30 deadline for trading in Westway funds for $1.7 billion in federal mass transit aid.

City officials are trying to get the deadline extended in Congress, where they got an extension once before.

But Koch, while saying it was up to Cuomo to move on a trade-in, insisted that was not "the best option."

Asked if the city would risk missing the deadline in a lengthy appeal, Koch replied:

"I'm never going to do anything that I know is stupid. I'm going to do everything I can to protect this city."

When the deadline approaches, Koch said "he would sit down with the governor and the two of us would decide what is in the best interest of the city and state.

"Neither he nor I would ever take an action that would be irrevocable and lose the city an enormous amount of money," Koch said.

Cuomo conceded he would "have to be mindful of the Sept. 30 date" but maintained "It's too early to say how we'll go about it. That's being looked at and studied."

Yesterday's biting ruling was the second blockbuster decision on Westway from Griesa.

In April 1982, he granted a temporary injunction against construction, overturned an earlier landfill permit issued by the Army Corps and ordered the agency to make a new study of the impact of the landfill on Hudson River fish.

The Corps made that supplemental environmental impact statement (SEIS) and reissued the permit in January.

But Greiesa ruled yesterday that SEIS "should have but did not state" that:

"Westway is not needed for transportation purposes."

"Transportation needs can be satisfied by the existing roadway, improved at a cost of $50 million."

"The reason for the Westway landfill project, estimated to cost $2 billion, is redevelopment."

Griesa emphasized that this was the view not just of Westway opponents, but also of Col. Fletcher Griffis, the Corps' district engineer.

Griffis testified during the two-month trial that neither Westway nor the landfill are needed for transportation purposes.

Lawyers for the state also conceded in a post-trial memorandum that Westway is not necessary for transportation.

However, Griesa noted, the environmental impact statement "characterized the project as primarily related to transportation needs" and did not "apprise the public of the positions" subsequently expressed by Griffis in court.

"These are fundamental differences, not trivial ones," the judge said.

He added that Griffis admitted that, had he characterized Westway as a highway project, he could not have granted the landfill permit.

The distinction is important, Griesa maintained, because under law, the Federal Highway Administration is "essentially limited to highway projects" when issuing funds.

On the issue of the fish, Griesa called the findings by Corps scientists "incredible."

He noted that in a fall 1984 SEIS draft, the Corps' biologist found the landfill would have "a significant adverse impact" on the striped bass.

The Hudson spawning area is believed to account for up to half of the East Coast striped bass population.

But six months later, in the final version of the SEIS, the Corps reversed itself, ruling that the impact on fish would be "minor and inconsequential," thus allowing it to grant the permit.

In an attempt to explain the reversal, witnesses took the position that there was no basic change in their conclusion.

"The court finds this position incredible," Griesa said.

He singled out chief biologist William Dovel, who prepared the SEIS, saying his testimony provided "a collection of assertions so irresponsible that it is shocking that the government ever tendered him as a witness.

"It was difficult to understand how the government relied so heavily on his report in their decision to issue the landfill permit," Griesa said.

The judge also noted that Dovel, while working for the Corps, sought funds from environmentalist Laurence Rockefeller to prepare a report on striped bass.

Rockefeller's brother, former Chase Manhattan chairman David Rockefeller, is a chief proponent of the highway.

REAGAN PLAN TAXES NOW ON MONEY YOU GET LATER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. MARKEY. Mr. Speaker, as we become deeply involved in the discussion of tax reform, I call to the attention of my colleagues this thoughtful and important commentary. The following editorial by Edward Pendergast, printed in the Boston Herald of July 14, accurately depicts the truth behind one aspect of the Reagan administration's proposal: a program which will inevitably increase, not lower or neutralize, taxes. It is always important to consider the local effects of proposals that will significantly alter national policy. I hope my colleagues will give serious consideration to Mr. Pendergast's observations as we continue to debate the timely issue of tax reform and simplification.

[From the Boston Herald, July 14, 1985]

REAGAN PLAN TAXES NOW ON MONEY YOU GET LATER

(By Edward Pendergast)

With all the talk about tax reform and simplication, President Reagan has insisted

that he will not stand for an increase in taxes. At least one of his proposals is in direct contrast to that statement.

The section that relates to cash method of accounting will make any service industry pay increased taxes for its unpaid accounts receivable.

Historically taxes for service companies have been based on their receipt of cash rather than performance of services. This is based on the theory that one is most able to pay taxes when one has received the cash for service rendered. Service companies don't deal in solid, tangible goods, so the income from their services is less assured than wholesalers, retailers or manufacturers.

What a service company does is maintain an inventory, if you could call it that, of the time that has been expended and paid for by the company in the form of payroll for services for which the company has not yet received payment. In other words, you've put the service company in the position of paying out cash for employees to perform a service and paying out taxes for its income before it has collected any cash. Everything is outgo as far as cash is concerned, and no income.

This proposal is unfair and it is only a method of raising additional taxes. If President Reagan can show me that this is not a tax increase for every service company that either has gross receipts in excess of $5 million or needs to show accrual accounting results to creditors in order to obtain credit, then I'll eat my hat. In its usual gibberish there is some statement in the proposed law that says "consideration will be given to taking into account the billing of clients for services in the use of the accrual method." If anybody knows what this means or thinks it is simplification I would be delighted to have them try to explain this to me.

The cash basis of accounting for any company that does not maintain significant inventories has been allowed for 75 years. No one that I have ever heard of has claimed that this is unfair or that is in any way been an abuse as a way to pay taxes. I would like to find out if there is some purpose other than raising taxes.

In fact, even the notion that the proposal might raise additional taxes is somewhat faulty in the long run. The proposal makes the service company that is now reporting on a cash basis accelerate its tax payments so that taxes that might ordinarily be paid next year will have to be paid this year. After the first year or so the federal government will not raise any additional money but the service company will have permanently reduced its operating capital by advancing to Uncle Sam taxes on monies that customers have not yet paid.

To try to make the proposal understandable in a microcosm, think of the young neighborhood child who comes around and mows your lawn. Suppose he comes on Friday and mows your lawn and you promise to pay him his $10 next Friday. What this unfair tax would try to do is to make it so that the young fellow that mows your lawn would have to pay taxes this Friday rather than next Friday when you pay him.

One of the concepts of the tax law has been to tie it into ability to pay. Now the example that I gave you is not of a company large enough to be covered by this law but the principle applies if you wanted to expand this concept, then everybody who is paid in the first week of January for work done in the last week in December, would have to pay a tax as if they had received the money in December. How would you like that and is that fair?

Thanks for the help, Mr. Reagan. You have proposed to make it so that any reasonably sizeable service organization will have to prepare a more complex return, be taxed unfairly and have to slow down its growth so it can pay taxes for income that they have not yet received. This is not so funny for those of us who you bypass completely when you apply your test of simplification, reform and fairness.

TRIBUTE TO JAN AND ALAN SHULMAN

HON. HOWARD L. BERMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. BERMAN. Mr. Speaker, I rise today to pay tribute to an outstanding couple in our community, Jan and Alan Shulman. I ask my colleagues to join me in honoring these two tremendous individuals. Each year the Pacific Southwest Region of the Federation of Jewish Men's Clubs presents the coveted Red Yarmulke Humanitarian Award to individuals who have given of themselves for the betterment of the Jewish community and the strengthening of the Jewish family. I am happy to tell my colleagues that this year's deserving recipients of this award are the Shulmans. The humanitarian award will be presented to the Shulmans at a gala dinner dance at Sinai Temple on November 10, 1985.

Alan and Jan are truly model members of our community. Throughout their 32 years of marriage they have always given generously of their time and energy for important causes. Jan served in a number of vice presidential posts for Valley Beth Shalom Synagogue as well as working in many capacities for the Women's League for Conservative Judaism and she served as a member of the Congressional Cabinet of the University of Judaism. She managed to donate her time to these worthy causes while also serving as the vice president of Los Angeles Hebrew High School. Alan, an attorney and CPA working as a partner in a law firm in Century City, also managed to find time to give to many worthwhile causes. Alan served as president of Valley Beth Shalom Synagogue and was later honored as their "Man of the Year." In addition, he served as a member of the board of directors of the University of Judaism and as a member of the Jewish Federation Counsel's Adult Education Commission.

It is my pleasure and sincere honor to join with my colleagues and the Pacific Southwest Region of the Federation of Jewish Men's Clubs to pay tribute to the Shulmans, a truly remarkable couple who have made inestimable contributions to their community.

A SCHOOLGIRL'S HOPE FOR PEACE

HON. JOHN R. McKERNAN, JR.

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. McKERNAN. Mr. Speaker, Samantha Smith and her father, Arthur Smith, perished in a plane crash outside Auburn, ME, early last week. This tragic accident ended the life of a simple Maine schoolgirl who had become a symbol of hopes for peace between the United States and the Soviet Union.

Samantha's fame as a goodwill ambassadress stemmed from her 1982 letter to then Soviet leader Yuri Andropov frankly asking, "Why do you want to conquer the world, or at least our country?" Andropov responded by inviting Samantha to tour the Soviet Union to better understand the Soviet people. During the tour that followed, Samantha charmed both the American and Soviet publics with her frank and innocent questioning of why relations between the two superpowers had to be so distrustful. As she said, "God made the world for us to live together in peace and not to fight."

The thing that made Samantha so endearing was that she kept her heart and mind open to all things. She asked, as only a child can, the very basic questions that we, as adults, often overlook. She leapfrogged the sense of mistrust and hostility that has dominated relations between our nations, and appealed to our basic instincts as people. She didn't accept the adult justifications for the way things were, hoping that "with more people thinking about problems of the world, [I hope that] someday soon we will find the way to world peace."

Though her life was but a short 13 years, Samantha Smith did much to further her belief in the need for peace. She fanned the spark that many of us hold for improved relations between the United States and the Soviet Union; she was a youthful bridge between our two countries, succeeding where many diplomats and endless negotiations have fallen short, opening our eyes and ears to the reality of nuclear war by asking simply: "Please tell me how you are going to help to not have a war."

Samantha Smith had a dream, a hope that some day our two nations would live in peace. It is no small feat that, in her life, this simple schoolgirl raised our expectations that that dream can, in fact, become a reality.

Mr. Speaker, I ask my colleagues to join me in paying tribute to Samantha Smith, and in sending sincere condolences to Mrs. Jane Smith in Manchester, ME, on the loss of her husband, Arthur, and her daughter Samantha.

WELCOME TO NEWEST MEMBER OF CONGRESS

HON. RONALD D. COLEMAN

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. COLEMAN of Texas. Mr. Speaker, I am proud to join my colleagues today to welcome the newest Member of the House of Representatives, the Honorable JIM CHAPMAN of the First Congressional District of Texas.

If you had believed all of the other side's predictions before the election, JIM CHAPMAN by all accounts should not be here today. He was outspent by a margin of over 2 to 1 by the national Republicans' handpicked candidate, and you would have thought that the administration had relocated the Cabinet in Texarkana by the time election day arrived. When all the ballots were tallied, however, the multimillion dollar RNC campaign had failed, and the people of east Texas had informed the administration what they thought of the largest deficits in American history and the lack of a national trade policy.

Mr. Speaker, JIM CHAPMAN brings to this House a reputation based on hard work, dedication, and responsiveness to the people of east Texas, and I am proud to welcome him here today.

Thank you very much.

COLLEGE OF ST. THOMAS, ST. PAUL SEMINARY, ST. THOMAS ACADEMY A CENTURY OF LEARNING, FAITH AND SERVICE

HON. BRUCE F. VENTO

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. VENTO. Mr. Speaker, on September 7, 1985, an academic institution in my district will be celebrating its centennial. The college of St. Thomas, along with the St. Paul Seminary, and the St. Thomas Academy have grown over these past 100 years to form a standard of academic excellence within our community and the entire Midwestern region.

Founded by Archbishop John Ireland 100 years ago on September 8, 1885, St. Thomas Aquinas Seminary was intended to prepare young men for the priesthood and to provide other young men with a classical education.

Located on the 60-acre Finn family farm, St. Thomas Aquinas Seminary began that September with 62 students and a faculty of 5 priests. Returning to the St. Thomas campus today, they would be overwhelmed by the changes that have occurred in the past 100 years.

From their common roots, the focus of these institutions have grown and flourished. In 1894, the St. Paul Seminary moved its campus and 65 seminarians and became a separate entity. Today, still located on that same new campus the seminary is preparing 85 ordination candidates and about 100 students in evening courses and programs for service to God and their community. St. Thomas Academy, a junior and senior school, relocated its campus to Mendota Heights in 1965 and now has a strong academic and extracurricular program for 750 students in grades 7 to 12.

The most dramatic change, however, has been at the college of St. Thomas. Incorporated in 1894, the college of St. Thomas has grown to an enrollment of more than 6,200 students, making it the largest private liberal arts college in Minnesota.

As the student enrollment has grown, so has the curriculum expanded at St. Thomas. Originally only a classics department, the college has built upon this solid foundation and developed not only a strong liberal arts program, but also a graduate degree program, a nontraditional student program, and new programs in manufacturing, engineering, business, and software design.

During its 100 years of existence, the college of St. Thomas has suffered setbacks and encountered serious hurdles. But the college has been able to overcome these hurdles through its constant search for new ways to serve the community.

The golden years of St. Thomas have come during the tenure of my friend and current president, Msgr. Terrence Murphy. Under his leadership, the college has expanded its services and has moved to fill a void in our educational community. Among the notable achievements of President Murphy is the decision in 1977 to become a coeducational institution. While St. Paul has an excellent Catholic women's college St. Catherine's, there was no local coeducational Catholic facility available. Today, St. Catherine's remains a strong educational institution and 40 percent of last year's undergraduates at St. Thomas were women.

In the early 1970's there were minimal educational opportunities available for nontraditional students to expand or improve their careers. In 1975, St. Thomas sought to fill this void by creating the new college. In areas such as management and education, St. Thomas is now providing continuing educational opportunities for over 1,300 nontraditional students.

President Monsignor Murphy and the college are not resting on these laurels. New, innovative programs are being developed to meet our community's needs—whether it be religious education, business ethics, engineering, or international-management studies.

Mr. Speaker, the final test of any institution is the final product that it produces. St. Thomas passes that test with flying colors. the graduates of St. Thomas have been a positive force in Minnesota and throughout our country. In medicine, government, business and all other fields, the alumni of St. Thomas have and continue to contribute to the well-being of our society. President Murphy has stated that St. Thomas wants to impart a Christian vision and Christian values to community life by educating people for various walks of life. The goal of St. Thomas is to impart a spiritual message relevant to our society and not something that is limited to Sunday morning. St. Thomas' efforts clearly make this spiritual message alive in the lives of people who are leaders of our community and our society. Throughout its history, St. Thomas has strived to meet those goals.

Mr. Speaker, I want to congratulate St. Thomas College, the St. Paul Seminary, and St. Thomas Academy on their 100 years of service, their centennial of service to our community and Nation. They have and will continue to be a vibrant force and a positive asset. At this time, I would like to bring to my colleagues' attention the following commentary on the achievements and developments of St. Thomas College.

[From the Minneapolis Star and Tribune, Sept. 1, 1985]

ST. THOMAS COLLEGE STARTS A NEW CENTURY OF COMMUNITY SERVICE

(By Leonard Inskip)

College presidents sometimes say that after 10 years it's time to move on. At the College of St. Thomas, President Terrence Murphy is in his 20th year, and it's the college that's moving on—to useful new programs for students of varied ages and to valuable new service to the community.

This weekend, for the 101st year, new students are gathering for orientation. Classes start Wednesday. Next Saturday and Sunday, St. Thomas and two related schools will celebrate a shared centennial.

The campus's late-summer serenity, freshly mown lawns and blooming flowers speak of tradition: a Catholic framework for a liberal-arts focus with practical applications.

But tradition is no barrier to change: new graduate programs planned or begun in manufacturing engineering, software design, business communications, international management. Lest those suggest a departure from traditional liberal arts, there will be a new chair in business ethics.

St. Thomas will create new graduate programs to serve St. Paul Seminary students—the result of a partial merger planned by the two institutions. But St. Thomas also will get a Jewish-Christian center this fall headed by a prominent Minneapolis rabbi, Max Shapiro. The college already has several special centers, including business management and religious, economic, community and senior-citizen education.

The college has begun working with Normandale Community College on a program to serve students who complete that school's two-year program. It also has long served nontraditional students—people with full-time careers, for example—by providing graduate business and education programs.

In recent years, St. Thomas has added an Owatonna conference center and a Chaska classroom building; both were gifts. This summer, it opened a Chaska business incubator that has access to St. Thomas programs and faculty. Last year, it discussed with William Mitchell College of Law the possibility of that school joining St. Thomas, but nothing developed. Some St. Thomas trustees have talked of classes in downtown Minneapolis—not likely soon, but a possibility someday.

With about 6,300 students, St. Thomas is Minnesota's largest private college—big enough to start programs like graduate studies in manufacturing engineering, small enough to experiment and move quickly, as

it did in setting up international-management studies after a governor's commission recommended such a program. The college has good rapport with business because it learns business's needs and acts on them.

An example: When Gov. Rudy Perpich began promoting engineering, Murphy met with such chief executives as Lewis Lehr of 3M, Edson Spencer of Honeywell and William Norris of Control Data. Eventually, Perpich recommended the unusual step of state help for a new manufacturing engineering program at St. Thomas. The Senate said yes; the House said no. Murphy expects St. Thomas to decide this month to proceed on its own.

Last year, Murphy described engineering as a "window of opportunity" for St. Thomas. He anticipated that society's future emphasis "will be not so much on social welfare programs, but rather on programs that will increase the productivity of the country and thereby provide employment, increase the standard of living, combat inflation, and put us in a strong competitive position in the international markets."

St. Thomas looks for programs that other—mainly the University of Minnesota—aren't providing. Murphy says manufacturing engineering is such a niche. But St. Thomas went beyond a niche when it pioneered evening-class management studies in the 1970s. Then the university had a few hundred traditional daytime students working for masters degrees, Murphy recalls. Now St. Thomas has nearly 1,300 nontraditional students in evening and week-end management classes and the university has about 1,200 such students. "They really took our program," Murphy says, but the result is that "the whole community is better off."

The centennial year will see a new relationship between St. Thomas and the Saint Paul Seminary. Both schools and St. Thomas Academy trace roots to a common beginning on Sept. 8, 1885. The seminary became independent in 1894 and the academy, a junior-senior high school, moved away in 1965.

The college and seminary are working out final details. St. Thomas will educate the seminarians, but the seminary will foster religious-character development. St. Thomas will acquire most of the seminary's nearby 35 acres, opening up long-range possibilities for an expended St. Thomas campus. New religious education can strengthen St. Thomas' ability to train lay people to work as church counselors and administrators as priests become fewer.

St. Thomas is one of the nation's 225 Catholic colleges and universities. Most were started by religious orders. St. Thomas is one of a few started by a diocese. The relationship continues, with Archbishop John Roach chairman of the college's trustees. Seventeen priests from the diocese are among 380 fulltime and parttime faculty members. Murphy as said that St. Thomas wants to "impart a Christian vision and Christian values" to community life "by educating people for various walks of life. If we truly want the Gospel message to be relevant to our society and not something that is relegated to Sunday morning, then we must make it alive in the lives of people who are leaders . . . of our community and our society."

But that does not mean proselytizing students, Murphy says. Rather it means requiring a few religion courses along with more traditional liberal-arts requirements. It means, he says, teachers' appreciation of Judeo-Christian traditions and "scholarly discussion of religious values." At the graduate level, such concern is reflected in a course that emphasizes values and the impact of policy decisions on a community. The new chair on business ethics established by Barbara and David Koch (Graco head and a leader in Twin Cities corporate-responsibility thinking) will strengthen that emphasis.

Catholics constitute about 85 percent of St. Thomas undergraduates, but only 30 percent of the graduate students. That reflects, Murphy says, the abundance and variety of schools serving undergraduates, but the limited graduate-level opportunities to have both classes and careers.

The college is planning what probably will be a $35 million capital drive for endowment, buildings and scholarships. Among scholarship goals: Seek top-flight students who don't qualify for needs-based help but who potentially are society's leaders and who, while in college, can offer leadership in academic achievement.

A campus visitor leaves with two strong impressions: (1) Through its constant search for new ways to serve the community, St. Thomas is a remarkable community asset. (2) Thank goodness that Terrence Murphy, unlike those college presidents who say 10 years in one place is enough, stayed around. The Twin Cities are better for having the school and the man.

ECONOMIC DEVELOPMENT

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. GARCIA. Mr. Speaker, this administration has made it very clear that they oppose any funding of the Economic Development Administration, because of its belief that the Federal Government should not be be involved in economic development projects at the local level. According to the administration, the private sector can provide all the funding necessary for community economic development.

In theory this may be sound thinking, but in practice it just will not wash, especially in light of the present economic realities. Mr. Speaker, I represent a poor district, the poorest in the Nation. And I can assure my colleagues that private investors are not standing in line, ready and willing to fund housing projects, businesses, or to offer technical assistance to community groups. There are investors, and the Bronx is experiencing a resurgence in terms of renovations, new construction and new businesses that have seen the opportunities that exist in the Bronx. However, more often than not some sort of incentive is needed for these investors to put their money in distressed areas. The fact that the Federal Government is behind a project is sometimes the only incentive needed.

Distressed areas have been faced with continued disinvestment. Local banks in the 18th district have a very poor record of home mortgage lending, and it would not stretch the imagination to say their commercial lending is probably not much better. I do not believe this is a situation unique to the Bronx. I do believe that communities faced with the problem of disinvestment need some Federal assistance in order to provide an incentive for investors. That is why I am a cosponsor of the National Development Investment Act. It will provide much needed assistance to areas that need it, areas that have not seen a trace of the much vaunted economic recovery.

TAX HAVENS: THE NEED FOR ACTION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. STARK. Mr. Speaker, I would like to call to the attention of my colleagues an article on tax havens which appeared in the August 29th issue of the Washington Post entitled, "More Americans using Foreign Tax Havens."

Tax haven countries have long been a source of refuge for organized crime and drug profits. But it appears that more and more individual and tax protestors are copying crooks like Robert Vesco and stashing money in tax haven countries. So much for the new patriotism!

The IRS cannot hope to deal with this development through the traditional audit procedure. The purpose of going to these tax haven countries is to hide an audit trail or create such a maze of accounting nonsense that no one can determine the tax properly.

I think we need some new approaches to this problem. I will work to include in this fall's tax reform bill the denial of various tax privileges for countries considered tax havens—foreign tax credits; deductibility of losses, and so forth. But I think that we should also consider a Federal transfer tax on the movement of assets to these tax haven countries. The tax would be paid by the investor and anyone participating in the transfer—communications companies, banks, transportation companies, couriers, and so forth—would be held liable for any unpaid transfer tax.

Tax havens and the manipulators of them are helping destroy confidence and faith in our Nation's tax system. They should be treated like the enemies that they are.

The article follows:

[From the Washington Post, Aug. 29, 1985]

MORE AMERICANS USING FOREIGN TAX HAVENS

(By Howard Kurtz)

A growing number of Americans are using tax havens in such places as the Bahamas, the Cayman Islands and Panama as an illegal means of hiding about $20 billion a year from the Internal Revenue Service, a Senate subcommittee said yesterday.

The panel's report said that narcotics traffickers, who deal in vast amounts of illicit cash, still provide the bulk of U.S. funds laundered through foreign tax

havens. But it said its "striking conclusion . . . is that offshore banking accounts are being used by people one might regard as 'average American citizens.' "

The Senate permanent subcommittee on investigations, headed by William V. Roth Jr. (R-Del.), urged the Reagan administration to impose tough sanctions—including limits on direct airline flights—against foreign tax havens that refuse to cooperate with U.S. law enforcement officials.

The United States should deny income tax deductions for losses and expenses incurred in any foreign country that will not negotiate access to its financial records by U.S. investigators, the panel said. Many low-tax foreign havens will not provide such records because they do not recognize tax evasion as a crime.

Banking is a booming industry in small Caribbean nations such as Anguilla, Barbados, and the Turks and Caicos Islands, which have joined such traditional havens as Switzerland and Hong Kong in attracting a flood of foreign capital by adopting strict secrecy laws. The number of banks in Anguilla, for example, jumped from two to nearly 100 in two years.

Such offshore banks have provided a repository for drug smugglers, who use private jets to carry millions of U.S. dollars at a time. But the subcommittee found similar patterns among ordinary citizens, such as a North Dakota farmer who deposited large sums in a bank in the Turks and Caicos Islands.

The report said that unscrupulous shelter promoters "exploit the anti-IRS biases of some of their fellow citizens . . . . These con men persuade susceptible individuals that they can legally avoid taxation by placing their assets in an offshore trust."

A senior IRS official said his agency is conducting 300 criminal investigations of tax shelters, half of them located abroad. He said four cases over the last year each involved more than $100 million in sheltered income.

"We're finding an increase in the blue-collar worker, the middle-income person getting into these shelters," the official said. "You can read the ads in the Wall Street Journal."

In a typical scam, he said, an investor will receive a report showing fictitious commodity losses from a brokerage house in the Cayman Islands. "In many of these situations, there are no commodities being traded," he said, "it's just paper being shuffled."

"The auditor will be given very legitimate-looking documentation. We have no way of going over to those foreign countries to find out what was bought and sold. It's an exercise in futility." He said the IRS must rely on informers and undercover agents to penetrate these shelters.

The subcommittee said the Justice Department's approach to foreign tax havens is "too fragmented" and that information is not shared among law-enforcement authorities.

"The Justice Department did not know what it had even in its own files," a subcommittee investigator said. "The Justice Department uses our list because they never compiled one." He called federal regulators "woefully ignorant on this subject," saying that U.S. bank examiners give low priority to tracking the movement of large amounts of cash.

The Treasury Department fined Crocker National Bank of San Francisco $2.25 million Tuesday for failing to report nearly $4 billion in large cash transactions, most of it suspected drug money funneled through Hong Kong banks. Sixty banks have admitted such reporting violations since February, when the Bank of Boston pleaded guilty to violating the Bank Secrecy Act. Banks have since tripled their reports of large currency transactions.

Stricter reporting would make it more difficult to hide narcotics profits, the Senate investigator said. "Drug smugglers deal in an unbelieveable amount of cash, most of it in small bills," he said. "They've got to launder it, and the easiest and best way to launder it is to take it offshore."

Panama has become a burgeoning financial center. In 1982, the report said, more than $1 billion was funneled through a large Panama bank to Federal Reserve banks in New York and Miami, or four times the amount of such transactions in 1980.

A major reason for this boom is a Panama law allowing secret registered companies. "Anyone holding dirty money in Panama usually has a registered company," the report said. ". . . A registered company can be available within hours. One who walks into the right law firm in Panama City will find them already formed and 'on the shelf'. . . .

"There are no requirements of any kind to be met by an applicant for a registered company. Nor do application procedures assure that actual owners of companies are identified," the report said.

PRESIDENT'S DECISION SHOULD BE REVERSED

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. YATRON. Mr. Speaker, I join my colleagues in expressing my concern over President Reagan's August 28 decision to reject the use of quotas or increased tariffs to protect the American shoe industry against imports. The President's decision runs counter to the wishes of hundreds of thousands of concerned citizens as well as the recommendations of the U.S. International Trade Commission.

By making this decision, the President has rejected calls for assistance to this ailing industry which is now dominated by an influx of imports. The situation is now likely to further deteriorate. More factories will close, more workers will be displaced, and we will face an even greater influx of imports.

In response to this inaction, I urge my colleagues and all concerned citizens to step up their efforts to bring about a reversal of the decision. The time to defend this important industry is upon us.

ESTABLISHING A COMMISSION TO BALANCE THE BUDGET

HON. CECIL (CEC) HEFTEL

OF HAWAII

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. HEFTEL of Hawaii. Mr. Speaker, in spite of the best efforts of both the Senate and the House, we have been unable to put more than a dent in the Federal deficit this year.

The political pressures on Congress simply make it too difficult to do more. Therefore, I propose, Mr. Speaker, we remove the problem from the political arena and ask the President to appoint a bipartisan commission to deal with the deficit. I am pleased that my esteemed colleague, Mr. FRENZEL, has joined me as a cosponsor.

This will not be the first time, of course, that we have used this approach. Three years ago, when the Nation's Social Security system was in deep trouble, the President appointed a commission to come up with a solution. When it did, Congress accepted it, recognizing that it represented the best efforts of thoughtful and well-informed men and women above the political fray.

Faced now with a problem even more serious for our Nation's welfare and even more difficult to resolve in a political setting, we should consider using an approach that we know has worked in the past.

Our proposal asks the President to appoint a commission immediately to report back to Congress by March 15, 1986. I know, Mr. Speaker, this is short notice, but the truth is we have very little time left. The situation is urgent.

Each day our deficit remains high, America's business fades a little more and our place in the world's economic hierarchy slips another notch. The deficit is creating such a demand for capital that interest rates remain unusually high. This in turn encourages foreign investors to convert their capital to dollars and ship it over here. The demand keeps the dollar high—40-percent higher than economists believe it should be. The result is that the rest of the world enjoys a 40-percent subsidy shipping goods to the United States and the goods we are trying to sell them carry a 40-percent penalty.

Is it any wonder our markets are being flooded with foreign imports and our manufacturers crying for quotas and tariffs? The runaway deficit is at the root of our trouble and no amount of protectionism will change matters until we come to terms with the fact that we are spending far more than we are taking in.

During the 1970's and early 1980's, the Federal Government absorbed only about 18 percent of total borrowing while business took 38 percent and households, 40 percent. From 1985 to 1988, the Bank of Boston estimates the Federal Government's share will double to 35 percent while business will be squeezed down to 25 percent and households to 32 percent.

Not only are American businesses being forced to compete with imports carrying a 40 percent subsidy from the strong dollar, but they are forced to complete with their own Government to borrow the money they need to modernize.

Time is short. That is why I chose the March deadline. Besides, the subject of the deficit is hardly a new one. Sadly, most

commission members would be more than familiar with its every detail.

March 15 is the date by which the authorizing committees of Congress must report their budget recommendations for the next year to the Budget Committee. This date would therefore allow the commission's recommendations to be incorporated in the next budget.

In 1980, the deficit stood at $73 billion. This year it is pushing $210 billion. If we continue at this pace we will have squandered our inheritance and have little left for our children. As Congressional Budget Director Rudolph Penner said recently:

By running up large Federal deficits, the current generation is lowering the potential living standards of its children and grandchildren.

The time for pointing fingers and casting blame has long passed. We can no longer afford to think of the next election. We must think of the next generation.

ANTI-SATELLITE WEAPON TEST

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. COUGHLIN. Mr. Speaker, the recent administration decision to proceed with the first test of an antisatellite weapon against an object in space, while not unexpected, is nonetheless disappointing to those of us in Congress who have been working to lay the foundation for an arms control agreement banning these weapons.

No real purpose is achieved by testing our Asat now but the damage may be great. A recent editorial in the Philadelphia Inquirer expresses precisely my own concern about the Asat test and I commend it to my colleagues.

[From the Philadelphia Inquirer, Aug. 22, 1985]

ANTI-SATELLITE WEAPONS: TO WIN THE RACE IS TO LOSE

The United States must test a satellite-killer weapons for the first time against an object in space and test it now, says White House spokesman Larry Speakes. Soviet objections are discounted as sour grapes. "They [Moscow] have one [an anti-satellite weapon] and they don't want us to have one." National Security Adviser Robert C. McFarlane says the test is needed to maintain the military balance between the superpowers.

Unfortunately the administration left out a few key details:

The Soviet weapon is a clunker. Built in response to early U.S. anti-satellite models in the 1950s and 1960s, it can only hit less important U.S. satellites in low orbit, about a third of the total. The Soviet weapon can't reach the critical U.S. communications satellites in distant orbits.

Rather than stabilizing the space weapons balance, production of the new U.S. anti-satellite weapon will upset it. The U.S. weapon-in-progress is small, swift and far more sophisticated than the Soviets model. If the past is prologue, the Soviets once again will play catch up and develop a weapon to outdo the new U.S. satellite killer.

The United States has the most to lose in a such a race. It is far more dependent on sophisticated satellite communications to coordinate military operations than the Soviet Union.

Why then is the administration flat out opposed to a comprehensive ban on anti-satellite weapons, despite clear Soviet interest? One reason given is the difficulty of ensuring that the Soviets wouldn't cheat. That's a genuine concern that should be addressed carefully in negotiations, but new advances in U.S. satellite technology would make it difficult for Moscow to test a new anti-satellite weapon without detection.

Another issue is whether a treaty could control missiles, space mines or ground-based laser weapons which, though not designed specifically to take out satellites, could attack them. These threats are real. Some can be addressed by additional treaty restraints, others by making satellites more survivable and easier to replace. However, these dangers don't negate the value of banning weapons specifically designed to destroy satellites.

The real reason Washington opposes and Moscow wants a ban on antisatellite weapons may be one that Mr. Speakes never mentioned. Under the loophole of testing anti-satellite weapons the administration can conduct certain tests needed for President Reagan's "Star Wars" missile defense plan, tests that otherwise are forbidden by previous treaty.

If the issue at hand were only the one planned test, it might not be critical. At least several tests will be necessary before the U.S. anti-satellite device can be considered operational. But the administration had made clear that despite the Geneva arms talks and the upcoming superpower summit, it will not press forward for an anti-satellite ban. At best it will discuss "limits" on anti-satellite weapons aimed at those capable of hitting high orbits. But since the United States has more weapons in high orbit, and the Soviets have more in lower orbit, the Soviets are unlikely to buy that offer.

The decision to test, then, marks an administration determination to push ahead with a space race that ultimately will endanger, rather than strengthen American security. It is shortsighted. It is a mistake. In the space-weapons race, there can be no long-term winners.

THIRD ANNUAL CARIBBEAN YOUTH CONFERENCE

HON. RON de LUGO

OF THE VIRGIN ISLANDS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. DE LUGO. Mr. Speaker, with the focus now on the Caribbean area, and with the added attention of the Caribbean Basin Initiative Program, and what we have learned from the Grenada experience, I would like to apprise my colleagues of a recent event in the U.S. Virgin Islands. Last week, the U.S. Virgin Islands hosted the third annual Caribbean Youth Conference which was very well attended by young people from countries and island nations throughout the Caribbean. Prime Minister Eugenia Charles of Dominica was a most welcome guest and speaker at the 3-day conference. The discussions were lively and gave one a real sense of the wealth of talent, energy, and intelligence of the young people of this vital area.

One of the keynote speakers was Dr. Charles W. Turnbull, the commissioner of education in the U.S. Virgin Islands. He made some very astute observations about the Caribbean identity and the possible future of the area which I would like to share with my colleagues.

KEYNOTE ADDRESS

(By Dr. Charles W. Turnbull)

The theme of this year's conference is "Youth Leadership in the Furtherance of Caribbean Identity."

The theme thus presupposes the existence of an element that can be termed "Caribbean Identity," which youth can provide leadership in furthering, expanding, improving. Is this so? Is it a fact that there is at present a "Caribbean Identity? The question for some is more than just thought-provoking. It is a downright provocation. Among some Caribbean youth it might even generate a fist fight or two. So be it. The question must be asked . . . and then answered.

In endeavoring to answer the question let us begin by defining the term—"Caribbean Identity." What do we mean when we say "Caribbean Identity"? A good dictionary that I consulted defined the term identity as "the condition of being oneself or itself and not another", "state of fact of being same one," "exact likeness in nature or qualities." Therefore, as you can plainly see, identity refers to sameness, in fact the word identity relates to identical meaning the same. We all know how closely identical twins resemble each other. Sometimes even their parents have difficulty telling them apart.

Now that we know that by identity we mean sameness we really only know that we are looking for a Caribbean sameness. But what do we mean by Caribbean? That part of the term too must be defined. And believe it or not, in someways this part of the term is more difficult or perplexing to define. This is because different people, including scholars and historians, mean different things when they use the word Caribbean. The dictionary is not much use here. By Caribbean do we mean all the countries of Central America, the West Indies and South America, the West Indies and South America that border the Caribbean Sea? This would include, in addition to the West Indies, Belize, Guatemala, Honduras, Nicaragua, Costa Rica, Panama, Venezuela and Columbia. Are we to inlcude countries that do not border the Caribbean Sea, such as Guyana, French Guiana and Surinam, the Bahamas and Bermuda but that do share to a large measure common historical background and modes of political, constitutional, social and economic and cultural development?

In the final analysis the determination of what is meant by Caribbean lies in the hands of the given exponent relative to his respective purpose, objective or aim. To settle the matter for this keynote address and this speaker, by Caribbean we mean all the countries of the West Indies chain from Cuba to Curacao in the Netherland Antilles, the Bahamas, Bermuda, Belize, Guyana, French Guiana, and Surinam. These we feel meet the test of a broad common historical background and mode of development.

Since we have defined "Caribbean" as well as "Identity and have equated "identity" to sameness, we know that we are looking for a

Caribbean "sameness" in the various countries. We can now reiterate the question. Is there in fact a Caribbean identity or sameness in the various countries we choose to call Caribbean? If so we must identify and describe this sameness. We must pull and show the common threads that make up this cloth or tapestry, if you please, we call Caribbean identity. The answering of the question now becomes our duty. Is there such a thing as "Caribbean Identity"? We are bold enough to say yes there is. We must now endeavor to identify and describe it.

Caribbean identity comprises the common inherited artifacts, goods, technical processes, ideas, beliefs, habits, customs and values of the people of the region. It is that sum of things that gives the people a collective personality that distinguishes them from another.

Examples of these include Amerindian tools, carvings and pottery, the sugar mill, greathouse, sugar technology, belief in a Supreme Being and a spiritual world, love of freedom and hatred of slavery or anything that even faintly resembles it, love of music, dance, festivals and holidays, desire to own at least a small piece of land and a house, lingering adherence to the time-honored rituals relative to birth, marriage and death, allegiance to family ties, etc.

Caribbean identity has grown out of the realities of geography and history. Although separated by water, for the most part, the countries are close to each other in terms of nautical miles. Narrow divides such as the Mona Passage between Puerto Rico and the Dominican Republic and the Anegada passage between the Virgin Islands and the Leeward Islands separate them. As the great Caribbeanist and scholar Gordon K. Lewis points out, this is not Polynesia or Melanesia, where thousands of ocean miles separate the various groups of islands from each other. Lewis notes:

"* * * This geographical closeness has led to a regular movement of people among the islands, by schooner, steamboat, and, today, small interisland aircraft. Intraregional migration has been the order of the day, especially in the Eastern Carribbean where, for example, laborers go south to work in the oil refineries of Aruba and Trinidad and others go north to seek jobs in the tourist industry of the U.S. Virgin Islands. Whole settlements of contract workers, both bonded and illegal, become part of their adopted homes: Grenadians in Trinidad, Antiguans in the Virgin Islands, Jamacians in Panama, and Dominicans in Puerto Rico. Add to this the more recent influx of political immigrants, e.g., Cubans in Puerto Rico, and a general portrait emerges of a regional society marked by the vast cyclical movements of peoples who have been uprooted—sometimes voluntarily, sometimes involuntarily. This, of course, has not yet expressed itself in any form of stable political union. The West Indies Federation collapsed after four brief years in 1962. But, short of that, the peoples of different Caribbean societies know each other as much as Europeans form different countries do. It is in this sense that geography is the mother of regionalism."

It can also be said that geography is a parent of Caribbean identity.

The other parent can be said to be history. Caribbean history can be divided into three or four broad periods. We choose to select four. They are (1) Pre-Columbian, (2) Pre-Emancipation, (3) Post-Emancipation and (4) Post-Independence. The three major episodes of all the countries, with the exception of a certain few, are European discovery, emancipation of the slaves, and political independence.

Out of a common historical background the social, economic, political and cultural institutions of the region has emerged with a high degree of sameness.

Now that we know there is indeed a Caribbean identity of sameness, and one we assume is worthy of preservation, what can youth leaders do to further this identity? First and foremost, youth leaders, all leaders in fact as well as the general populace, should study, know and appreciate Caribbean history and culture. Although far from perfection, there has been in recent years a considerable number of good volumes written, published and available in the region on Caribbean history and culture. These books, in most instances, have been written by native or long-term residents of the Caribbean, many having spent their professional lives studying the region. We recommend the works of Rex. M. Nettleford of Jamaica, Issac Dookhan of Guyana and the Virgin Islands, Walter Rodney of Guyana, Gordon K. Lewis, Carl Stone and others.

Additionally, a comprehensive series of textbooks of superior quality have been produced by publishing houses such as Macmillan and others for students in preparation for the CXC Examinations.

Additionally, in the various countries historical and cultural societies have been formed if they did not exist before. Organizations such as the Jamaica Institute, the Institute of Puerto Rican Culture, Virgin Islands Historical Society and others provide a venture for the furtherance of knowledge of the Caribbean.

Although far from what it must be, various Caribbean governments are improving and expanding the teaching of Caribbean history in their respective educational systems. Here in the U.S. Virgin Islands a cultural education division has been established to promote greater knowledge, awareness and appreciation of the history and culture of the Virgin Islands and the Caribbean.

More, however, needs to be done. I propose that in each country of the Caribbean a month be set aside, similar to Black History Month in the United States, to draw special attention to the history and culture of that particular country as well as to the rest of the Caribbean. What I am proposing is a "Virgin Islands History Month", a "Barbados History Month", a "Jamaica History Month", etc. Although the history, culture and way of life of each particular country and of the total Caribbean should be stressed year-long, a particular month for special observation would go a long way in the development and furtherance of Caribbean identity and awareness for the total population.

Any observance of Caribbean history must not only include the contributions of Caribbean men and women within the region but also their contributions to the larger world society.

Men and women of Caribbean birth and ancestry have contributed disproportionately to the world in a number of fields. Caribbean people, especially the youth, must know of the contributions of Edward Wilmot Blyden, Jose Marti, Marcus Garvey, Eric Williams, Grantly Adams, Shirley Chisholm, V.S. Naipaul, Alexander Bustamante, Norman Manley, Luis Munoz Marin and Terrance Todman to name but just a few.

A second strategy in the furtherance of Caribbean identity is the fostering of Caribbean unity. To do this it is of paramount importance that youth leaders sincerely believe in regional unity of all kinds and on all levels. Educators, doctors, lawyers, scholars, businessmen, service organization members, youth organizations, people of all groups should organize regional associations that meet regularly on different sites in the Caribbean for exchange of ideas, problem-solving and sheer fellowship.

There should be cultural exchanges, student exchanges, teacher exchanges, etc. The existing sports exchanges should be strengthened. Native Virgin Islanders could relearn cricket and Trinidadians could learn baseball.

There should be more personal visits for vacation and holiday among the residents of the various countries. The list of possibilities for furthering Caribbean identity and solidarity is endless.

What could all of this lead to. No none really knows. It might eventually somewhere down the road of destiny lead to renewed hope and aspiration for a Caribbean nation. As the world and by inference the Caribbean region shrink as the result of even faster and more efficient mode of transportation and communication being effected, the primary barrier to a Caribbean nation might well be the Caribbean people themselves.

Whatever the future may hold, the people of the Caribbean can take pride in what they and their forebear have been, are and will continue to be: a strong, resilient, courageous optimistic people with an identity to keep and pass on to generations to come.

The time is ripe for the furtherance of this identity. Youth leaders of the Caribbean who linger on the shore when wind and wave combine to grant you sailing weather to aid you on your way in your quest for furthering Caribbean Identity!

TEXTILE INDUSTRY JOBS

HON. GERRY E. STUDDS

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. STUDDS. Mr. Speaker, last month Berkshire Hathaway, a textile mill in New Bedford, MA—a city I have the privilege to represent—announced that it would permanently close later this year. Unfortunately, the jobs lost at Berkshire Hathaway are but the latest among some 300,000 textile and apparel jobs lost nationwide in the past 4 years. While the current administration stands idly by, imports of textiles and apparel have been permitted to skyrocket far in excess of the levels established in the multifiber arrangement. Along with a majority of my colleagues, I have cosponsored the Textile and Apparel Trade Enforcement Act, a bill designed to achieve the objectives of multifiber arrangement. It is my hope that the House of Representatives will take up this important legislation this fall.

Edward W. Clark, Jr., of New Bedford, addressed this problem in a recent column appearing in the Standard-Times of New Bedford. I commend Mr. Clark's comments to my colleagues.

BERKSHIRE HATHAWAY CLOSING LINKED TO NATIONAL POLICY

(By Edward W. Clark Jr.)

The tragedy facing Berkshire Hathaway workers, their families, and our community is not an accident of fate. It is not the result of poor local management or an unreasonable union. It is clearly the result of national economic policies that have created depressed prices within the industry, an inflated dollar and a rapidly rising tidal wave of imported textiles and garments. Unless our national government acts swiftly and decisively, the tragedy will be repeated over and over again and will affect many more workers in New Bedford and across the country.

Since 1980 more than 10,000 Massachusetts residents employed in the clothing and textile industries have lost their jobs. These workers have not found jobs as software designers on Route 128. For the most part they have taken lower-paying service industry jobs. Many are still unemployed or underemployed. Their fellow textile and apparel workers are in danger of sharing their fate and the Commonwealth is in danger of losing the more than $770 million dollar annual textile and apparel payroll.

Nationwide 300,000 textile and apparel jobs have been lost in the last four years as imports have grown 19 percent per year. In 1984, 61 textile plants closed in North and South Carolina alone. Clothing and textile imports now comprise almost 50 percent of the American market, a far greater percentage than imported autos or steel. Textile and apparel imports account for 13 percent of our record trade deficit.

To stop the destruction of the U.S. textile and apparel industry more than half of the U.S. House of Representatives and one-third of the U.S. Senate have sponsored the Textile and Apparel Trade Enforcement Act. The Bill seeks to establish a fair trade system that protects the American workers and American industry while allowing for a reasonable level of imports. Our representatives should be commended and supported for recognizing the importance of this bill for Massachusetts.

The current "free" trade system is destroying American jobs by ignoring the unfair advantages other nations give their apparel and textile industries.

Many countries insure wages are kept low by outlawing strikes (South Korea and Poland), using slave labor (South Africa) or tolerating death squads, which kill thousands of trade unionists every year (El Salvador). As long as unions are crushed overseas, foreign wages will remain low. The average American textile worker earns $6.46 per hour or $13,000 per year. He or she will never be able to compete with a textile worker in China who earns 20 cents per hour or a stitcher in Hong Kong who earns $1.46 per hour.

In addition to low wage levels and unfair labor laws, Taiwan, South Korea and Japan give their industries unfair advantage by forbidding the importation of American clothing and textile exports unless their domestic textile and clothing industries approve.

Our government unfortunately often cooperates in eliminating American jobs by subverting the intent of U.S. trade law. Many foreign governments (the Phillipines, China and Mexico) directly subsidize their industries. Under U.S. law, direct subsidies are supposed to trigger import tariffs equal to the subsidy. When it was proven that Brazil subsidized its shoe industry, our government gave Brazil five years to eliminate the subsidies rather than immediately impose a tariff. Five years later Brazil was still subsidizing its shoe industry, and our government gave them a five-year extension. At the same time, Bass Shoe, a division of Chesebrough-Pond's, Inc., closed several plants in Maine and opened a plant in Brazil.

Our government also ignores the trade guidelines established in the international trade agreement on textiles and clothing, the Multi-Fiber Arrangement (MFA). The MFA allows countries to annually increase their exports to the U.S. by six percent. Last year imports of clothing and textiles from Indonesia increased more than 200 percent, while imports from China increased 162 percent. Not wanting to anger the Indonesian or Chinese governments, our government did nothing. China's over-shipment of sheeting material last year could have kept two mills in Massachusetts open for a year.

The American worker is thus laid off to accommodate our government's foreign policy goals. Should we want a military base in the Phillipines, or should we need China's vote at the U.N., her textile and apparel quota is lifted and more Massachusetts workers go to the unemployment office.

Our union is not opposed to trade, especially trade with the Third World. Indeed, in many cases we have encouraged it. What we are opposed to is uncontrolled and unfair trade. Such uncontrolled and unfair trade can only lead to Third World conditions in industrial states like Massachusetts.

These injustices have led Republican Sen. John Danforth, the chairman of the Senate subcommittee on International Trade, to say, "The Administration equates even enforcement of the law as protectionist. They view free trade as "necessitating docile acceptance of the unfair practices of trading partners." The Textile and Apparel Trade Enforcement Act would bring some fairness to an unfair trade system.

Foreign governments and many retailers (who for the most part do not pass on to consumers the savings they make from buying cheap foreign goods) oppose this legislation. The Reagan Administration is also presently opposed to it. If we are to save the textile and garment industries in this country, we must overcome this opposition. Nationally, a majority of our legislators supports the passage of the Textile and Apparel Trade Enforcement Act. We all must work hard to increase that majority to a point where it becomes veto-proof. Failure to do so will most certainly mean the virtual elimination of an industry that affects the employment of one out of eight manufacturing workers in the United States.

Our union will continue to work as hard as possible to make sure that the owners of Berkshire Hathaway live up to their responsibilities and to keep as many Berkshire Hathaway workers as possible employed at decent wages and with decent working conditions. It is clear, however, that in the long run only national legislation can prevent situations similar to the one we now face.

JOE CLOSE, DEAR FRIEND

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. STARK. Mr. Speaker, Joe Close was the most selfless man I've ever known. Altruism is rare in politics, but Joe was a rare person.

Born in Ross, CA, Joe moved to Oakland with his family when he was 10. He graduated from Fremont High School and the University of California, Berkeley, where he earned a degree in economics. After graduating and marrying the former Jan Breschini, he spent 15 years as an advertising executive.

Joe entered politics in the 1950's and became a trusted leader among northern California Democrats. He was a member of the Seventh Congressional District branch of the California Democratic Council [CDC] and held a number of offices in the local, regional, and statewide CDC.

He worked tirelessly to elect representatives he thought would advocate his concepts of good government, and was generally pleased with the quality of officeholders in the east bay. His purpose was to make government work for all the people.

In later years, Joe was employed as administrative assistant to the Emeryville City Council. He resigned for health reasons in 1984, and died a year later. He was 60.

We miss his dry wit. We miss his sound judgment. But most of all, we miss his company. Joe Close was always there when needed. Joe was a friend.

TARENTUM PRESENTS COMMUNITY AWARDS

HON. JOSEPH M. GAYDOS

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. GAYDOS. Mr. Speaker, the Borough of Tarentum in the 20th Congressional District of Pennsylvania will publicly recognize the civic contributions of several individuals and organizations at a community awards banquet on September 14.

I am always impressed when a community takes the time and effort to publicize residents or groups who give of themselves in order to improve the life of their neighbors. I am pleased to bring to the attention of my colleagues this year's Tarentum honorees.

Helen Mateer: A retired school teacher and treasurer of the Tarentum Parking Authority, Helen is an active volunteer at Allegheny Valley Hospital.

Frank Anderson: Associate Editor of The Valley News Dispatch, Mr. Anderson also authors "The Stroller", a daily column of observations and announcements that make him one of the most widely read writers in the Alle-Kiski Valley.

Eugene Simon: Now semi-retired, Mr. Simon formerly owned The Valley Daily News and built its circulation from 9,000 to 44,000 before selling in 1976. Mr. Simon still writes a weekly column for several newspapers in Pennsylvania and New Mexico.

St. Vince De Paul Society: Chapters at Sacred Heart/St. Peters' Church and St. Clement's Church have been unstinting in their efforts to aid the poor, the unemployed, the distressed and the disabled veteran.

Volunteer Fire Companies: Eureka Hose (organized 1886), Highland Hose (1913), Summit Hose (1907) are commonly united in their unselfish commitment to protect the lives and property of Tarentum's citizens.

Mr. Speaker, on behalf of the Congress of the United States, I congratulate the above mentioned honorees for the example they have set in community responsibility. I also applaud the Borough of Tarentum for its recognition of outstanding citizenship.

COMMEMORATION OF THE ANNIVERSARY OF THE INVASION OF POLAND

HON. FRANK ANNUNZIO

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. ANNUNZIO. Mr. Speaker, on September 1, 1939, the peaceful state of Poland was invaded, marking the beginning of one of the most tragic and destructive wars in the history of mankind—World War II.

On this date, 46 years ago, the forces of nazism broke across the Polish borders from the West, and 16 days after this initial attack, the forces of communism began their treacherous assault from the East. Although the Polish people, including over 830,000 soldiers and officers of the Polish Army, fought bravely to preserve their homeland, they were unable to prevent Poland from becoming a nation without a state, a tyrannized and persecuted country, deprived of over half of its territory and millions of its people.

Many thousands of Polish soldiers were forced to flee from the military might of their oppressors, and joined the allied troops. An underground movement was formed, directed by the Polish Government-in-exile, which contributed to the war effort by crippling the enemy with acts of sabotage and subterfuge.

The members of the resistance movement refused to betray their national honor by collaborating with the enemy, and many were forced to survive for months and years in the mountains and forests of their homeland. Millions of Poles suffered deportation and imprisonment in labor camps, and millions more were tortured and killed. The Polish nation lost close to one-quarter of her population, and the capital city of Warsaw was leveled to the ground.

Even after the end of the war, there was no peace for Poland, as the Soviets continued their occupation, and attempted systematically to destroy the culture, religion, and national identity of the Polish people. Nevertheless, the commitment to freedom of the Polish people has remained strong, and their struggle to achieve personal liberty and national integrity continues undiminished.

Five years ago, on August 31, 1980, the historic Gdansk Agreement was signed between the Polish Government and the workers, allowing them to set up an independent trade union. Today this solidarity movement in Poland has grown to hundreds of thousands of people, who are openly and courageously struggling to achieve freedom of speech, self-determination, and human dignity. An article from the August 29, 1985 edition of the Christian Science Monitor, describing the resolve of the Polish people and the solidarity movement to achieve these objectives follows:

POLAND'S SOLIDARITY—THEN AND NOW

(By Nicholas G. Andrews)

Five years ago this week, on Aug. 31, 1980, the workers' Interfactory Strike Committee signed a historic agreement with the Polish government after a 17-day strike in Gdansk. Apart from a series of economic concessions won by the workers, the agreement allowed them to set up an independent trade union, provided for the release of political prisoners, called for the lifting of media censorship, and stipulated that religious faiths should have access to radio broadcast time. The only one of the 21 points of the Gdansk agreement still in force is the Roman Catholic Church's regular radio broadcast of its Sunday Mass.

The Polish authorities stalled, backtracked, and significantly evaded fulfilling the terms of the agreement. Nevertheless, the Independent, Self-Governing Trade Union Solidarity was legally registered in November 1980. In December 1981, however General Jaruzelski proclaimed martial law, suspending the activities of all trade unions. In October 1982, a new law on trade unions was adopted which delegalized Solidarity and provided for the establishment, in stages, of a new officially approved union.

What is the legacy of Solidarity?

The Solidarity experience showed that the workers could unite to defend their interests and compel the authorities to make economic concessions, assuming both sides renounced violence. It proved that workers without higher education understood their country's problems and could develop ideas and solutions for them. Polish workers and intellectuals joined to negotiate issues with the authorities. The Solidarity period revealed a Polish hunger for free speech and democracy. It gave a moral and spiritual boost to Polish society and furnished hope that, under other circumstances (read: the termination of Soviet hegemony over Poland), the Poles could regain their full independence and sovereignty.

Although the Solidarity union is now illegal, it is alive and busy. It still collects dues from 10-20 percent of its members, publishes uncensored weeklies and biweeklies in every major city, and looks out for the welfare of the families of imprisoned members.

This underground Solidarity organization consists of perhaps several thousand activists. The organization's Interim Coordinating Committee meets periodically, issues communiqués, and announces the union's attitude on public affairs. Each regional center has its committee to coordinate activities and issue appropriate bulletins. In major plants nationwide, clandestine factory committees collect dues, distribute the factory's underground paper or other publications, and organize local actions in defense of workers' interests.

Aboveground, active Solidarity members and sympathizers can be numbered in the hundreds of thousands. Besides distributing underground publications, they lend assistance to underground activities in unseen ways. They also organize public appeals, issue statements of principle, and form groups for specific purposes.

The Polish government's policy, so-called normalization, means a return to a strict totalitarian system in which the authorities, through the credible theat of using much-expanded police powers, permit no deviation from the rules they establish. The murder of the Rev. Jerzy Popieluszko by Ministry of Internal Affairs officials last October was no accident. The accident was that they were caught in the act.

After the purge of some officials, police and security services have resumed their previous practices and enjoy the confidence of the prime minister. Finding a solution to Poland's economic woes and debt obligations is no doubt a major task of Poland's government, but maintaining total political control and diminishing the impact of the opposition is the first priority.

Poland, has been pointed out often enough, is divided into two camps: the rulers, which consist of the Army, the Ministry of Internal Affairs, and the Communist party, state, and government bureaucracy; and the ruled, who include most of the nearly 10 million Solidarity members, other opposition opinion, the Catholic Church and private farmers.

Little communication takes place between the two camps. Efforts to stimulate a dialogue between Solidarity and the government have thus far failed. Solidarity leader Lech Walesa periodically repeats his readiness for a dialogue and negotiations, but the government, believing it has the upper hand and need not negotiate as long as it is willing to use force, ignores him.

Such as it is—a far cry from its 1980-81 existence—Solidarity is unlikely to disappear. Young people in their 20's and 30's who were the mainstay of the union, cannot write it off as a failure and forget it. Too much of the promise of 1980-81 remains fresh in their hearts and minds. So the struggle for Solidarity ideals continues because the Communist system has nothing comparable to offer.

Mr. Speaker, as we again observe this anniversary of the invasion of Poland, I am honored to join Americans of Polish descent living in the 11th Congressional District of Illinois which I am honored to represent, and Polish-Americans all over this Nation, in their hopes and prayers for the reentry of Poland into the community of free nations. The long-suffering people of Poland still look to a strong America for moral support in their continuing struggle to achieve their just aspirations of national liberty.

CALIFORNIA FARMS REELING, TOO

HON. TONY COELHO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. COELHO. Mr. Speaker, as we return from the August recess, the House Agriculture Committee will be completing the markup of the 1985 farm bill. This difficult task has been made even more complicated by the President's recent threats to veto legislation that extends too much assistance to American farmers—at a time when falling prices and decreasing exports paint

an even gloomier picture of the U.S. farm economy in the months and years ahead.

For years, California's farmers have been recognized as the Nation's leading agriculture producers, and have even been considered immune to the financial problems their Midwest colleagues have experienced. Sadly, that is no longer the case, as California farm income and land values continue to decline, particularly impacting the economy of the fertile San Joaquin Valley. Daily, I hear from my farming constituents that they are hurting, and need help—not a handout, but help. If President Reagan could have driven a few hours north of his Santa Barbara ranch to visit with some of the same farmers I talked to, he might have a better understanding of what the House Agriculture Committee is trying to do. But since the President did not talk to any farmers, I would hope that he and others who share his opinion on this subject will read this New York Times article on the dilemma facing California agriculture.

CALIFORNIA FARMS REELING, TOO

(By Thomas C. Hayes)

Los Angeles, July 25.—From grapes and almonds, to cotton and rice, farmers in California have long had more options to make money than farmers in other parts of the country.

But growers here are reeling too, faced by many of the same woes as other American farmers: falling commodity prices, rising imports, dwindling foreign markets and staggering bank debt.

California growers face their fifth consecutive year of declining profits. The Security Pacific National Bank, for example, estimates that the industry will earn $3 billion this year, down from $3.2 billion in 1984 and a peak of $4.2 billion in 1980.

And falling prices for major crops such as cotton, grapes, raisins, corn, almonds and rice have pared cash flows so much that many growers say they face another year of losses. Those growers who borrowed to buy high-priced land a few years ago have few places to turn for help. California farms, although larger, on average, than those in the Middle West, are still mostly family owned.

"It looks like there will be a day of reckoning for a lot of growers by the end of the year," said Walt Cucuk, owner of a 180-acre grape and raisin farm north of Fresno. "They've got their ranches mortgaged to the hilt and have been living off their savings. "This year's crop won't pay their expenses."

The situation is probably not as bleak as in some parts of the American farm belt, because of the greater diversification. Nonetheless, agriculture is one of California's biggest industries, and the continued downturn has sent farmland prices plummeting, and has taken a toll on the banks here, too.

The problems in California agriculture, for example, were among the factors cited by the BankAmerica Corporation last week when it reported a $338 million loss in the second quarter. Its Bank of America unit has its roots in California's small farming communities and remains the state's largest agricultural lender, with a farm loan portfolio of $2.2 billion. It also owns approximately 94,000 acres on foreclosed farmland.

"All of the major California banks" are confronted with growing agricultural loan problems, said Ray Borton, senior agricultural economist for the California Department of Food and Agriculture.

Agriculture here remained relatively healthy during the nation's steep recession of 1981 and 1983.

Even now, some farmers are still thriving. The California citrus industry, for example, which suffered losses in the late 1970's, has benefited from the canker blight and freezes that hurt orange production in Florida. Several vegetables, such as tomatoes, also are doing well.

But many other crops are slumping. The strong dollar has made it much harder for growers to sell abroad, and foreign farmers are picking away at some of California's biggest markets, said Stephen Levy, senior economist at the Center for the Continuing Study of the California Economy, a private research group.

China, which as recently as two years ago imported California cotton, is now a cotton exporter—and a competitor. It may capture 15 percent of the Japanese market, according to the Agriculture Department.

Then too, wine imports, primarily from France and Italy, accounted for 25.7 percent of all wine consumed in the United States last year, according to the Wine Institute, an industry-financed research group in San Francisco. Many grape growers, including Mr. Cucuk, a third-generation farmer who is 52 years old, expect the figure to approach 28 percent this year.

California wine shipments, aided by the popular new wine coolers, are expected to increase about 3 percent, to 373 million gallons this year, according to the Wine Institute. But prices for grapes used for crushing have declined steadily—to $169 a ton last year, from a peak of $248 in 1981. Cotton, at about 60 cents a pound, is down about 10 cents from a year ago.

With less money coming in from crop sales, California growers have little available to make debt payments. "What we've seen the last two years will continue," said James D. Kirk, senior vice president in charge of lending for the Wells Fargo Bank in the San Joaquin Valley. "The people who took on too much debt will probably go out of business."

Mr. Kirk, along with other bankers, said they now review a grower's chances of making a profit on a given crop in deciding whether to make new loans, instead of looking at land values. Most bankers said they try to carry a farmer as long as possible, and if they must repossess the land, try to lease it back to the farmer.

"In a lot of cases, with appropriate management and efficiency enhancements, the farmers will come through" before the land is repossessed, said Duane Paul, senior economist for the southern California operations of the Bank of America. "But in other cases, fortunately the minority, they are simply not going to make it. It's a bitter pill for us to swallow, as well as for the farmer."

Most banks are keeping foreclosed acres off the market in an effort to keep prices from falling further, Mr. Cucuk, the grape grower, said.

Today, however, land values in the arid; irrigated San Joaquin Valley have plummeted in many cases by more than 50 percent in three years. Land with Thompson seedless grapes, a basic crop used primarily for raisins and in wine-making, has fallen to less than $4,000 an acre, down from a peak average of $10,840.

Rather than buying more land, Mr. Cucuk used his profits from boom times to open a machine shop. But that, too, is now "struggling." Mean-while, he expects to lose money in farming for the second consecutive year.

Dick Markarian, a grower with 880 acres south of Fresno, said that land acquired at $4,000 an acre was still too expensive for a grower to make a profit at today's prices.

Mr. Markarian, who is 74, said memories of occasionally going without food so that his father would not lose the family's 20-acre farm during the Depression had led him to refuse his son's desire to buy more land a few years ago. "I'm scared to death of debt," he said.

At the time, their farm was making more than 30 percent in after-tax profits on $600,000 in annual receipts. Today, the farm, which produces cotton, grapes and corn on mortgage-free land, might not make money, he said.

PRESIDENT ALFONSIN'S DETERMINATION

HON. ROBERT GARCIA

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. GARCIA. Mr. Speaker, the September 1 edition of the Washington Post had an excellent article of the determination of President Alfonsin and the Argentine people to come to grips with their economic problems.

The tone of the article was not completely optimistic, at least as far as the ability of the Argentine leader to solve his nation's economic crisis. But the article went beyond merely assessing Argentina's economic plight. It talked about the willingness of the Argentine people to give their President a chance. The fact that he must concern himself with the political pressures that go hand in hand with taking severe economic measures was in itself a refreshing sign. There was no talk of a coup in the article, only of the kind of political pressures that any democratic elected leader might find if he or she makes difficult, if unpopular, decisions.

That is not to say that the people are always fair or far sighted in their support for their leaders, but that is how a democracy works, and Argentina is very much a democracy. I am hopeful that the Argentine Government will be able to handle its economic problems, but at the same time, I am very glad that the people of that nation have chosen to do so as a democracy.

I submit the Washington Post article for my colleagues' perusal:

ALFONSIN LEADS ARGENTINES INTO WAR AGAINST INFLATION

(By James L. Rowe, Jr.)

BUENOS AIRES.—Two months ago, Argentine President Raul Alfonsin stood Argentine politics on its head. He told the country the truth about its economic policies.

It was not foreign bankers or Argentina's $48 billion in foreign debt that was the root cause of the country's hyperinflation and economic stagnation—a popular political theme during the first 15 months of his administration.

Instead, he said, Argentina itself and decades of its economic policies were the funda-

mental source of the country's economic woes.

It was an amazing change of course for the president, who inherited an economic mess in December 1983 from an eight-year-old military government. But to the surprise of veteran observers, most Argentines rallied around Alfonsin's message and the painful prescriptions he administered, boosting his popularity by 10 percentage points.

Last Thursday, labor unions organized a large, one-day strike to protest the new policy, but the demonstration was at best only partially successful and not an indication of a significant loss of support, Alfonsin's supporters and critics agree.

The clock is running on Alfonsin, however, many of these political figures say. If he fails to find the resources to begin to restore the ravaged Argentine economy, his mandate—and the country's economic future—will be in jeopardy.

The problems begin with the $48 billion Argentina owes to foreign creditors, which is soon to grow to $53 billion. Just to pay the interest on that debt, Argentina will have to drain about $5.5 billion a year from its economy—an amount equal to 8 percent of its total output of $70 billion.

As great a burden as the debt, perhaps, is the memory of how little Argentina got in return. Little of Argentina's borrowings were used to modernize or expand industry or create new businesses aimed at exports. Argentine's military government, which took the country into a disastrous war against Britain, spent heavily for its own needs, and to dampen import prices and inflation, the government kept the peso highly overvalued in the early 1980s. But this fed the demand for dollars, as Argentine investors increasingly moved into the American currency to protect themselves from an inevitable fall in the peso's value.

In 1980, according to economist Jorge Dominguez, Argentina borrowed billions of dollars merely to have enough of them in the central bank to satisfy private citizen's demands. Rather than investing in their own country, Argentines shipped their dollars to safer havens abroad. In 1980 alone, nearly $12 billion was sent out of the country, and today, Argentines hold an estimated $25 billion to $35 billion abroad.

Because it neglected its own development, Argentina will need major financial contributions from abroad for several years if it is to meet its interest payments, create jobs and start new export-oriented industries.

For this help, Argentina is dependent upon its bank lenders, who hold about $25 billion of the total debt. Many Argentines were galled by the willingness of the banks to lend to the former military government because, it is said, the banks knew the government was doing little productive with the borrowings. Now the banks hold the lifeline. In the next several months, they are expected to provide fresh money totaling $4.2 billion, the first new bank loans Argentina has received in more than three years. But the banks are reluctant to make big new loans to Argentina, or any other major debtors, because of the huge amount of loans already outstanding (about $350 billion for all of Latin America).

Argentine officials say they are confident that once the country demonstrates it has inflation under control and has taken other sound steps, foreign funds will become available—not only from banks but from the foreign holdings of Argentine citizens.

"But we have to get our economic house in order" before turning to the outside for more help, according to Treasury Secretary Mario Brodersohn, a key architect of the new plan that Alfonsin announced June 14.

That plan began with a wage-price freeze that Alfonsin imposed to break an entrenched inflationary psychology that was pushing prices upward at a 1,300 percent annual rate in May. He promised to cut the bloated federal deficit and ordered a halt to the printing of new money—the principal means Argentine governments have used for decades to pay for their government. To underscore the break with inflationary practices, he created a new currency—the austral—to replace the vilified peso.

Argentina also made peace with its international lenders and the International Monetary Fund, the lender of last resort.

The attack on inflation was the heart of Alfonsin's program. Spiraling upward and out of control, the price escalation was making normal economic decision-making virtually impossible. "By late May, the economy had ground to a halt," according to one diplomatic source.

"The situation we were living through was a desperate one. Argentines are clinging to this plan as though it were a lifesaver. It has been 40 years since they last had a feeling of stability," said Sen Carlos Gomez Centurion, a member of the tiny Provincialist Party.

And the solution was desperate—following Alfonsin's moves, the Argentine economy spun into an almost immediate recession. But the wage and price freeze is only a first step. Adolfo Canitrot, second in command at the Economy Ministry, said that the freeze will be maintained until society is convinced that inflation will not return.

But at some point, economic policy makers will have to devise a strategy to get Argentina growing without rekindling inflation and inflationary expectations, he said. Exactly how they will do that is not clear, even to them, Canitrot and Treasury Secretary Brodersohn said.

If the next phase of the anti-inflation program is to succeed, the government will have to gain control over the public-sector enterprises; more than 350 in all, which range from oil and electricity to appliance manufacturing. Many of them lose money and are a drain on the government's limited resources.

In direct opposition to the verities of Argentine tradition and, especially, those of his own Radical Party, Alfonsin said he would reduce the role of the state in industry, arguing that the private sector is more efficient than the public for most forms of enterprise.

These enterprises control more money that the president, one diplomatic source said. "The government now is attempting to put the bridle on the public-sector enterprises and to get the bit to fit in the mouths of the directors," the source said. "The government must get them to transmit the money they owe the treasury and get them to follow their own budget."

In the months ahead, the debt situation is manageable. This year, a $4 billion export surplus and the long-awaited money from the IMF and the banks will meet and exceed Argentina's need for foreign assistance. But by 1986, the growing load of foreign debt and anticipated difficulties in maintaining exports will begin to slow Argentina's growth. And by 1987, unless the international facts of life change, Argentina will be hit severely by foreign debt service.

Looking farther ahead, Alfonsin and Argentina face major obstacles in their attempt to restore Argentina to the healthy economic status it enjoyed prior to World War II, when it was one of the most prosperous nations in the world. In the last 10 years, manufacturing employment has declined 35 percent, while output has fallen 20 percent, according to Alberto Sojit, a Peronist economist who has been advising the Alfonsin administration. Workers with relatively high incomes have been forced into low-paying service jobs, reducing demand for such middle-income products as automobiles.

The prices of Argentina's exports—mainly agricultural and other commodities—have fallen sharply. About 80 percent of Argentina's exports are agricultural products, and it faces increasing difficulties in exporting to its historical markets such as Europe because European farm policy has been aimed at fostering and protecting products such as beef. In 1960, Argentina exported 1 million tons of beef a year. Today it exports about 250 thousand tons.

Most troubling, perhaps, is Argentina's lack of diversification. While Brazil, its neighbor and traditional Latin American rival, has built aggressive export industries, Argentina has been content to rely on traditional commodities and raw materials for nearly all of its exports. In the mid-1960s, Brazil and Argentina each exported about $1.5 billion worth of goods a year. Today, Argentina exports about $8 billion worth, while Brazil's exports are worth $27 billion.

Economist Dominguez said that Argentina must quickly look to joint ventures with foreign investors to develop industries to transform raw materials and raw commodities into higher-value intermediate goods. For example, Argentina should export beef products, not merely beef, he said.

Perhaps the key factor in Alfonsin's new economic policy is Alfonsin himself.

"He is a man of charisma who speaks clearly and is perceived to be decent," according to N. Charles Rowe, vice president of the Bank of Boston's large Argentine branch operation.

A rival Peronist politician said that, during the year and a half Alfonsin has been in office, has stature has magnified. "Not since Juan Peron do the Argentine people seem willing to put their trust in one politician," he said.

His prospects are aided by the severe divisions in the Peronist Party, conceded Diego Ramirez Guelar, one of the leading Peronist deputies and ranking minority members of the House Budget Committee.

For the last six months, the Peronist Party, called Justicialist, has been in a massive internal war pitting provincial interests against those of urban Buenos Aires. Many expect Alfonsin's 52 percent House majority to climb to 60 percent or higher after the November congressional elections.

To be sure, Alfonsin's desire to reshape the economy and downplay confrontation with foreign banks and multilateral institutions is not shared by the vast majority of his Radical party, which remains committed to a heavy state involvement in industry.

"But attitudes are changing," insisted Cesar Jaroslavsky, who heads the Radical bloc in the House, the more powerful of the two legislative bodies. "We inherited a monstrous state from the military. More than 50 percent of economic activity is in the hands of the state."

"Alfonsin came into power hoping to duplicate the successes the Radicals felt they were achieving the last time they governed in 1963," according to a top Argentine busi-

nessman, who spoke on condition that he not be identified.

"But Alfonsin, who has been in regular contact with heads of state all over the world, learned that those policies don't work any more. Certain industries, like utilities, will always be in the hands of the state. But others have no business being there, and Alfonsin apparently now believes that, too," the businessman said.

"Alfonsin has control of the government. Don't you doubt it. Things may take time. But if he wants them to get done, they will get done," said an Argentine bank executive, who also spoke on condition that he not be identified.

But Alfonsin well may exhaust all his political appeal if he conquers the inflation problem and comes up empty-handed on investment. "Argentines are grateful today," said an Alfonsin supporter. "Will they be grateful tomorrow?"

Even though declining real wages have been a fact of life in Argentina for a decade, actual unemployment has been low, averaging about 3.5 percent. However, the recession that followed the wage-price freeze has led to almost-unheard-of layoffs and job losses. "More than 5,000 of our 30,000 members have been laid off," said Ricardo Lamanna, a top official of the union of foremen in the metals industry. "It's worse in construction. We're in favor of fighting inflation, but gradually. A country that doesn't produce can't pay its debts."

Brodersohn warns that "making serious economic policy is not enough. There are three players in this game. We need help from the advanced countries. They have to stop subsidizing exports where they have no comparative advantage. The European subsidy on beef exceeds Argentina's cost of production.

"The international banking community not only must reduce the interest it charges on outstanding loans. It also must make available new lines of credit if we are to grow."

His warning is muted in the less-confrontational tones that are now used by the government in referring to the debt. There is a recognition that, no matter how tempting it may be to say "to hell with the debt," in reality, it costs more to confront than to pay. "To be another Nicaragua, isolated from the United States, is not a palatable option," said a former top Argentine diplomat.

Leading Argentine officials are beginning to realize that neither Europe nor Japan is going to open its domestic markets to Argentine exports and that the United States is becoming Argentina's most important ally. But even if the rhetoric about Argentina's foreign obligations has cooled, the debt never disappears from the horizon.

"The people at the IMF, the Federal Reserve and the [United States] Treasury tell us that, if the economic situation stabilizes and our accounts are more or less in order, there will be an increase in foreign investments and the policy of the banks will change. They tell us the banks will be more willing to lend," the Economy Ministry's Canitrot said. "I don't know how long we've got to wait. After one year or two years without results, the political pressures will build up."

JUDGE EDWARD WEINFELD

HON. BILL GREEN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. GREEN. Mr. Speaker, Judge Edward Weinfeld recently celebrated his 35th anniversary on the U.S. District Court for the Southern District of New York. Judge Weinfeld's scholarship and diligence continue to add luster to a distinguished court, and, I should particularly like to bring to the attention of my colleagues an article on Judge Weinfeld that appeared in the August 18, 1985, New York Times.

A LIFETIME OF LAW AND QUIET DILIGENCE FOR JUDGE WEINFELD

(By David Margolick)

It is very quiet in Foley Square at 4:30 in the morning, when 84-year-old Judge Edward Weinfeld usually arrives. The square is deserted except for the homeless people sleeping in the park across from the United States Court House.

Last week Judge Weinfeld marked his 35th anniversary on the bench in appropriate fashion. He showed up at the Court House five minutes earlier than usual, switched on the lights in his chambers, made a pot of coffee and began doing the job he loves—the lonely, difficult but exhilarating work of a Federal trial judge.

When Judge Weinfeld leaves his apartment on East 66th Street for Room 2204 of the courthouse each day, he merely forsakes one home and family for another. At the courthouse he is married to the law, and his clerks are his sons and daughters.

Friends, colleagues and former law clerks have begged him not to work so hard. But the judge, a stickler for facts, takes issue with not only their sentiments, but also their choice of words.

NOT WORK BUT 'JOY'

"When, at a fairly early hour of the morning, I put the key into the door of my darkened chambers and walk across the room to start the day's activities," he wrote recently, "I do so with the same enthusiasm that was mine the very first day of my judicial career. What one enjoys is not work. It is joy."

Edward Weinfeld is the oldest active Federal judge in the United States. But in a profession known for its dissenters, nearly everyone agrees that he also remains what he has long been: one of the most respected Federal judges in the country.

Two years ago, when Judge Weinfeld's alma mater, the New York University Law School, named a professorship after him, Associate Justice William J. Brennan Jr. of the United States Supreme Court called him "a day-by-day living example of what we want our judges to be." He added: "There is general agreement on bench and bar throughout this nation that there is no better judge on *any* court.

2,108 OPINIONS

Judge Weinfeld has earned his reputation through decades of diligence rather than through the luck of assignments or the eloquence of his writing.

He has presided over his share of famous cases—the libel suit by the author Quentin Reynolds against Westbrook Pegler, the noted Hearst journalist, for instance, and New York City's case against Rockwell International for defective subway cars—but no more than his share.

His opinions—2,108 of them as of last week—are long on facts and short on aphorisms.

In 35 years on the bench, he has granted only one interview: to his granddaughter, who is recording his memoirs.

"In a sense, it would be easier to salute him if he'd been more noisy, if he had laid claim to some innovative legal philosophy or sought attention through 'great' opinions or a monopoly of 'important' cases," Justice Brennan said. What has distinguished his career, he said, has been "the purity of its devotion and its quiet dedication to the business of judging."

Judge Weinfeld, who is routinely showered with such praise, is likened to New York's other noted 20th-century jurists, Benjamin Cardozo and Learned Hand.

But Judge Hand himself might have disputed that assessment, at least judging from a photograph he once inscribed to his friend: "To Edward Weinfeld, who makes the rest of us feel like drones."

NO MORE TENNIS

Age has forced some changes in Judge Weinfeld's daily routine. He rarely takes his ruminative lunchtime walks across the Brooklyn Bridge anymore, and his 6 A.M. tennis game died a while ago, with the only person he could find to play at that hour. Some lawyers say that in recent years the judge has grown more impatient, even peremptory, with them in court.

But as sleep becomes more difficult for him, his workday begins earlier than ever. It starts in his chambers, following a round of pushups, with a verse of the Bible—first in Hebrew, then in English. In the hours before his law clerks arrive, he writes opinions, reviews court records and sentencing reports and reads the latest Supreme Court rulings.

One story, apocryphal perhaps but not implausible, tells of a prosecutor who met the judge on the Court House steps at 8 o'clock one morning.

"Going out for breakfast, judge?" he asked.

"No, for lunch," Judge Weinfeld replied.

MINISTER OF JUSTICE

The judge's work, to many, could seem like drudgery: writing and re-writing opinions, reviewing reams of court documents, cross-examining probation officers before sentencing. But Judge Weinfeld is fond of referring to himself as a "minister of justice" and telling his law clerks that "there is no such thing as an unimportant case."

Such sentiments could seem corny to some—but not to those who have reviewed his decisions on appeal, shared the trial bench with him, worked for him or been litigants in his courtroom.

The United States Supreme Court often mentions Judge Weinfeld by name, a rare tribute for a trial judge. Fellow jurists regularly seek his counsel and use his jury instructions.

The defendants in the Brinks murder cases, who routinely disrupted the proceedings in other courtrooms, stood quietly whenever Judge Weinfeld entered his.

DECISIONS RARELY REVERSED

And appellate courts rarely reverse him—not even in the midst of the McCarthy era, when he ruled that a Senate subcommittee had improperly questioned a Columbia Uni-

versity lecturer, Corliss Lamont, about his political beliefs.

"In my view the Court of Appeals would not have upheld any other judge," said Leonard Boudin, who represented Mr. Lamont. "The weight of his learning, legal analysis and reputation made him virtually irreversible."

Judge Weinfeld has periodically promised his wife of 54 years, Lillian, that he plans to retire from his post, a lifetime appointment. But despite gout, phlebitis and other ailments, there is no evidence that he intends to keep his word. Already, he has hired law clerks both for next year and the year after.

They will presumably develop the same bond with Judge Weinfeld as their predecessors, most of whom have long-since gone on to successful careers of their own. Many, looking back, say nothing could compete with their first job or first boss.

"One of the tragedies of my life is that I peaked at 25," said Mitchell Lowenthal, Judge Weinfeld's 1983 clerk and now an associate at Cleary, Gottlieb, Steen & Hamilton in New York.

Another New York lawyer, Daniel Levitt, wrote of his clerkship in 1964-65: "That was the best year. The rest are only to be used to prove we were worthy of you."

"He will never retire," said Martin Lipton, a New York lawyer and Judge Weinfeld's clerk from 1956 to 1957. "He will spend his last days on the bench."

Judge Weinfeld has said he aspired to serve the rule of law even as the 9-year-old son of immigrant parents on the Lower East Side. He practiced law for 27 years before entering public service, first as a delegate to the 1938 New York State Constitutional Convention, and later, as head of Governor Herbert H. Lehman's pioneering public-housing program.

TRUMAN APPOINTEE

It was Lehman, as a United States Senator, who persuaded President Truman to name him a Federal judge.

Like Judge Hand, Judge Weinfeld was often mentioned for higher judicial office, most notably in 1965, when he was recommended by Senator Robert Kennedy and Emanuel Celler, the chairman of the House Judiciary Committee, and his own colleagues for the United States Court of Appeals. President Lyndon Johnson, however, ignored Senator Kennedy's nomination and chose Judge Wilfred Feinberg.

"There is no question that Feinberg's was a fine appointment," said Nicholas deB. Kastzenbach, who was Attorney General at the time. "But I think Johnson wanted to teach Bobby a lesson in politics, and did."

REJECTION "A WASTE"

"Right now, he would stand mountain high in comparison with any Justice on the Supreme Court," said Louis Nizer, who appeared before him in the Reynolds libel case. "It's a great waste."

But others, like Federal District Court Judge Morris Lasker, a colleague for nearly two decades, disagree. "He was better equipped to work by himself than on a collegial court," he said. "He's an artist of sorts, and artists can't work collegially."

According to his friends, Judge Weinfeld is somewhat baffled by the adulation he has received. His attitude toward his life's work appears akin to his feelings about jurors—to whom, he feels no thanks are ever due.

"I happen to believe that one who faithfully and conscientiously discharges his duty neither is entitled to, nor must he or she expect, thanks," he tells jurors before they are discharged. "Your reward must come from the knowledge that you responded to the call of duty as a citizen, and were privileged to play an important part in the administration of justice."

AMERICAN LEGION VIGIL IN NEW JERSEY

HON. JIM COURTER

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. COURTER. Mr. Speaker, a very fine vigil for American MIA's and POW's was organized in July in Franklin, NJ. The ceremony was planned by Mr. Paul Cilurso, chairman of the POW/MIA Vigil Committee of Post 132 of the American Legion. Because Mr. Cilurso and the American Legion have performed distinguished services for American war veterans and their families, I wish the following notice of the vigil to be entered into the RECORD. Mr. Speaker, the American vigil continues for all the good men lost to us in the Southeast Asian war.

[From the Daily Record, Morristown, NJ]

LEGION VIGIL IN FRANKLIN HONORS MIA'S

(By Duane Stoltzfus)

FRANKLIN.—Through the day and through the night American Legionnaires remembered the Americans still missing in Southeast Asia in a vigil that culminated when hundreds of balloons, one for each of the missing soldiers, colored the morning sky yesterday in a symbolic flight to freedom.

The 24-hour vigil, held here at the American Legion Post 132, sought to remind Americans of the 2,464 men who remain missing or unaccounted for since the end of the Vietnam War.

"They are still there," said Paul Cilurso, chairman of the vigil, reflecting on the purpose of the gathering. "There are people over there. They are Americans. We want them home."

"It's not my vigil," he continued. "It's not the committee's vigil. It's an American vigil."

Sponsored by the Sussex County American Legion and the American Legion Department of New Jersey, the event began Saturday noon, with the reading of the 2,464 names of those listed as Prisoners Of War and Missing In Action, a reading that would continue for the length of the watch. The ceremonies included an opening prayer, 21-gun salute, speeches and a parade.

This vigil was the brainchild of Cilurso, who first attended a similar ceremony in Bridgeton last year.

Both Cilurso and Brent Minahane, who also stayed awake for the entire vigil, spoke of symbolic links and an elusive tie that binds those who have served and returned to those who remain missing.

Many of the 428 members of the Franklin post attended the vigil, along with other legionnaires and supporters from elsewhere in the county.

THE FIRST EARTH RUN

HON. MATTHEW F. McHUGH

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. MCHUGH. Mr. Speaker, all of us remember the spirit of cooperation and patriotism that was generated in 1984 as the Olympic Torch was carried across the United States.

Today, I am inserting into the RECORD an article that recently appeared in the Los Angeles Herald Examiner regarding the first Earth run. This event, which is being organized by David Gershon, the director of the 1980 Winter Olympic torch relay, is designed to take the Olympic torch relay one step further by organizing a worldwide torch relay that will honor our common humanity and ignite the spirit of global cooperation.

The first Earth run is an inspirational concept that deserves our encouragement and support, and thus I hope that all of our colleagues will take a few moments to learn more about this event.

CONCEPT OF FIRST EARTH RUN IS CATCHING FIRE

NEW YORK—An Olympic torch hangs on the office wall of Peter Ueberroth, baseball's new commissioner. It's a reminder of the fever that swept the country last year during the Los Angeles Olympics.

The two-pound torch caught fire in 1984 as it made its way across the United States, carried by thousands of runners in a relay that united the country.

Ueberroth, widely applauded for his organization of the highly profitable 1984 Summer Olympics, says that one of the major reasons for the success of the Games was the torch relay.

"We were able to rekindle pride in our country as evidenced by the millions of people who took part in the torch program as either spectators or participants," Ueberroth said, "I hoped the run would unify the country. People weren't afraid to stand up and cheer for the country, and the rest of the world saw how caring the country could be."

Now, a group headed by David Gershon, the director of the 1980 Winter Olympic Torch Relay, which went from Olympia, Greece, to Lake Placid, is organizing the First Earth Run.

The international event, which Gershon and his compatriots hope will touch millions of people throughout the world, is scheduled to begin in May 1986 at the United Nations in New York and end there four months later.

"The idea of the event is to serve as a powerful catalyst," said Gershon, who also organized and led the American Liberty Torch Bicentennial Relay, a 9,000-mile journey through all 50 states in 1976, and served as associate coordinator for the New York City Marathon for four years. "We hope we can touch a lot of people and inspire them in different ways.

"We are taking the Olympic Torch Relay concept one step further . . . taking it around the world and creating it as an event . . . an event to honor our common human-

ity and ignite the spirit of global cooperation.

"We are calling it the First Earth Run—An Olympics of Cooperation."

Gershon said the run should be viewed as "something positive . . . something to motivate people, an event to inspire hope. We feel that given the state of the world what we need is something catalytic.

"I hope we will touch over two billion people . . . not just those who know of it, but those who will get involved physically. Our goal is to make a significant statement of cooperation."

The First Earth Run has five elements, Gershon said.

"The first is to get all countries in the world involved," he said.

Toward that end, the plan is to have runners from each country join a relay team for about a week between May and September. "A trunk route will go around the world to about 60 countries," said Gershon. "A tributary route will go to about 100 other countries.

"Using a flaming torch as the visual symbol connecting nation to nation, (the idea is to) have light-bearing runners from every country pass the flame from hand to hand across national boundaries touching every nation as they encircle the earth with light."

The second element is to try and have mass participation at candle-lighting ceremonies in many major cities.

"When the torches are returned to the tributary countries, it will be a chance for everyone to carry the torch," said Gershon. "Through light ritual ceremonies in every town, people receive the light from the light-bearing runners onto torches and candles and then spread it from individual to individual, community to community.

"By the end of the Earth Run, over half the population of the world will have received the light in their own personal candles."

The third element will be to award gold, silver and bronze medals on local and national levels "for the best strategies that embody cooperation."

"All along the pathway of the Earth Run, communities, regions and countries create ceremonies in their own unique cultural ways to celebrate the message of the torch of light as it passes," Gershon said.

The ceremonies, in conjunction with the candle-lighting rituals, will be set up as fund-raisers, he said. "We want to give money to hunger and entrepreneurial development of the Third World," he added.

Element No. 4 is to hold major concerts "to use the universal language of music and satellite communications to magnify the experience of our common humanity." The concerts will be held as the torch arrives in seven cities—Moscow, Peking, Tokyo, Rio de Janeiro, Nairobi, London and Los Angeles.

The final element will come back at the UN Building. There, world leaders, including the secretary general of the UN, will receive the torch, Gershon said, "which represents the hope and aspiration of the whole world.

"Hopefully, we will have made a shift, moving the world one step closer to a positive future."

Assisting Gershon in the project are Hal Uplinger, who has worked for CBS in producing Super Bowl games; Doug Cox, a former director of sales for CBS, who will coordinate the concerts; Mike Mitchell, the head of the chief financial group for the 1984 Olympics; Gail Straub, a former Peace Corps member, and Martin Bentz, who works for the UN and will map and plan the torch routes.

Ueberroth is not involved in the Earth Run.

Gershon estimated the total cost for the project at $15 million, with the money to be provided by "corporations, individuals and governments."

"We have a quarter-million dollars committed now," he said. "Within the next six months, we should be nailing down all the financial pieces. We hope to have everything in place by June."

UNFAIR ATTACKS AGAINST AN ADMINISTRATION NOMINEE

HON. PAT SWINDALL

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. SWINDALL. Mr. Speaker, I call your attention to an article written by John Lofton which illustrates some of the unfair attacks and smear campaigns that some of the administration nominees have been subjected to.

I would like to submit the full text of the article into the CONGRESSIONAL RECORD.

PRESSING PAW FOR THE FACTS

"I feel like a lion who was just eaten by Christians," said a smiling Anthony Podesta, president of People for the American Way, a rabidly anti-Christian group founded by TV producer Norman Lear.

And, for once in his life, Mr. Podesta was correct about something. He had just concluded a press conference in which he attacked the prospective nomination of Herbert Ellingwood to be assistant attorney general for legal policy at the Justice Department. And during his session with the press, he was kept on the defensive by representatives of Christian groups or publications, who attempted to pin him down on his charges concerning Mr. Ellingwood, who is currently chairman of the Merit Systems Protection Board.

So, what and where is the beef? How valid is the PAW case against Mr. Ellingwood? Well, as Al Smith used to say, let's look at the record.

Charge one is that Mr. E. has "abused merit hiring practices" by judging a person's qualifications for federal jobs on the basis of "religious beliefs." It is alleged that Mr. E. helped "devise" a "talent bank" to (gasp!) place right-wing fundamentalists in federal civil service and political jobs, a "talent bank" said to be a project of the American Coalition for Traditional Values.

But, in a letter last February to Rep. Pat Schroeder, D-Col., Mr. E. denied, *six times*, that he had done this. He said: "I do not advise or assist any group or representatives of any group on the placement of individuals with the civil service." And Mr. Podesta has produced no evidence to refute this denial. In fact, when I pressed him on this allegation, he said, no, he knows of no specific examples where Mr. E. has shown "religious favoritism," as a PAW press release charges. And he said they have looked for victims of such discrimination by Mr. E., they have found no such persons, and they are "still looking."

The PAW's charges as regards Mr. E's alleged relationship with ACTV are, in part, said Mr. Podesta, based on an article in the *Federal Times* which broke this so-called story. But the *Federal Times* story warned that "key questions" critical to determining the propriety and legality of the alleged Ellingwood-ACTV connection "remain unanswered." And "still unclear is the extent of ACTV's contacts within the government, as well as the nature of the jobs the group is seeking to fill."

Another charge is that Mr. E. has "abused the public trust" by "taking excessive paid leave for personal gain," by taking 87 days of paid leave from December 1981 through February 1984 and by taking $16,000 in speaking fees from "ultra-fundamentalist groups" while "working in a full-time federal position."

But, a June 1984 General Accounting Office report made at the request of Rep. Schroeder, and included in the PAW's own press kit, reveals that these charges are hogwash. The GAO report concluded that "all"—repeat *"all"*—of Mr. E's speeches to these Christian groups "were given during his personal time, or while on a leave of absence." Furthermore, said the GAO, its review did not disclose "any attempts to cover up" the nature of Mr. E's trips. And the GAO said that as a political appointee, Mr. E., as an agency head, is exempt from the Annual and Sick Leave Act, he is on call at all times and works whatever hours are necessary to meet his official responsibilities, and he "enjoys complete freedom to absent himself from duty as he sees fit."

The PAW complaint about Mr. E's speaking to Christian groups while also on official business is kooky. The charge is made that such speeches use tax dollars to subsidize the programs of these religious groups. But this is absurd and economically ignorant. With the federal deficit in the $200 billion range, one would think the PAW would be applauding government officials who make speeches, since the money these officials earn is taxed and, thus, helps reduce the deficit! But then, such reasoning imputes a degree of lucidity to Mr. Podesta and his crew which they obviously lack.

Another charge is that Mr. E. showed "personal favoritism" by "pushing through" for an attorney's job the wife of a man who loaned Ed Meese money, and that he did this without allowing anybody else to compete for this job. This is so wrong that at the press conference, Eric Yoder, a reporter for the *Federal Times* who said he broke this story, said he was compelled to note that "no competition was required" for this job. Mr. Yoder told me later that the PAW press release, as regards this charge, "stretches the truth."

And finally, it is charged that Mr. E. has "abused our system of justice" by "reportedly" sending an "ideological questionnaire" to potential judicial nominees when he worked for Gov. Reagan in the 1970s. And it is alleged the California bar once "indicated" it would oppose Mr. E's nomination to the Court of Appeals in 1974.

"Reportedly?" "Indicated?" These are weasel words. *Who* reported this? Well, Mr. Podesta said this report comes from *The New York Times*, the *New York Law Journal*, and certain unnamed judges. As for what the California bar "indicated," a spokesman for this organization said it has no record of any recommendation concerning Mr. E. and that if one was made, it would have been confidential.

And when asked just exactly which senators are among "a number of senators" Mr. Podesta said are "concerned" about Mr. E's prospective nomination, he said, well, his

group has "asked for appointments" with all Judiciary Committee members, and they have met with about half of these members' staffs. Oh.

When Mr. Podesta was asked directly by Richard Dingman of the *Christian Inquirer* if there's any evidence Mr. E. has shown any undue bias in his present job, if he has tried to subvert the normal civil service process, Mr. Podesta said, "No," there's no such evidence.

Ordinarily, in the real world—which means everything north, south, east, and west of Washington, D.C.—it's probably true that where there's smoke, there's fire. But as likely as not, here in the nation's capital, it's an even bet that where there's smoke, there's some clown or group of clowns with a smoke-making machine. And for People for the American Way, bearing false witness has become a way of life, which is hardly the American way, by any definition.

Footnote: And (surprise!) the guy who has produced radio ads for the PAW against Mr. E's nomination is Tony Schwartz, who produced the smear-job TV spot against Barry Goldwater in 1964 featuring the little girl picking the daisy, the countdown, the nuclear explosion.

KRISTINA MARY KOCEK

HON. HARRIS W. FAWELL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. FAWELL. Mr. Speaker, I want to take a moment to congratulate Kristina Mary Kocek of LaGrange Park, IL, on her recent selection for the Secretary's International Youth Year Awards Program, sponsored by the U.S. Department of Education.

Kristina is 1 of 257 outstanding individuals nationwide and 1 of only 5 from the State of Illinois chosen for this award. She was selected from over 1,000 nominations as displaying exceptional caliber and value to others.

The Secretary's awards project is the Department's chief initiative observing International Youth Year, which was designated for 1985 by the United Nations and reinforced by a Presidential proclamation.

Kristina is deserving of this award to honor outstanding youths because she fits that description in several categories. She has been an outstanding student, maintaining a 4.0 GPA for 4 years in a college preparatory program. She was inducted into the National Honor Society during her junior year, and she has accepted a scholarship at Rice University where she will pursue an engineering degree.

She has been an outstanding student leader, serving as the vice president for 2 years in a school/community service organization, Sharclub. Among other activities, she organized visits to the British Home, a retirement residence, was president of the National Honor Society during her senior year, and was a leader in physical education classes for 2 years. Kristina, inspired and created a "school song" sign which was donated to the school and is now hanging permanently in the gymnasium.

Kristina has been an outstanding volunteer in sharing her talents with peers, serving as a tutor in mathematics and writing.

Athletically she is also talented. She participated in track and volleyball for 4 years. In volleyball, she served as captain in her senior year on a strong team that was a State contender. In track, she participated in shot put, and was a State qualifier for 2 years.

Kristina has been an outstanding recipient of various awards earned by young people recognized for achievements in different fields, including: Senior speaker (commencement, chosen by peers), Bausch & Lomb Science Award, Science Department Honors, Outstanding Senior Science Student 1985, English Department Honors, Mathematics Department Honors, Outstanding Senior Mathematics Student 1985, Physical Education Department Honors, Outstanding Senior Scholar Athlete, DAR Good Citizen Award, Illinois State Scholarship, Illinois Merit Recognition Scholarship, Presidential Academic Fitness Award, National Honor Society $1,000 Scholarship, and Write Place Tutor Award.

I wish to extend my sincere congratulations to Kristina Mary Kocek for her outstanding achievements. I share the pride and hopes for Kristina's continued success with her parents, peers, and school staff.

CONGRESSMAN GROTBERG COMMENDS ST. JOSEPH HOSPITAL FOR COST-CONTAINMENT PROGRAM

HON. JOHN E. GROTBERG

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. GROTBERG. Mr. Speaker, St. Joseph Hospital, of Elgin, IL, has implemented an innovative health care cost-containment program which provides free medical care for senior citizens 65 and older.

St. Joseph's is operated by the Franciscan Sisters, who since 1902 have been committed to providing quality health care for the elderly. This unique program, GoldenCare Plus, is in keeping with that commitment, and the sisters and hospital administrators should be commended for being in the forefront of this type of service.

GoldenCare Plus is free and open to anyone age 65 and older who is eligible for both parts A and B of Medicare. Senior citizens enrolled in the program have no deductible or coinsurance charges or any other out-of-pocket expenses for any inpatient or outpatient care provided by the hospital.

GoldenCare Plus picks up all hospital costs not covered by Medicare or supplemental insurance up to the maximum Medicare-covered days. Cardholders pay nothing for their room, meals, tests, x rays, or any other hospital charges. That kind of health care cost containment should be contagious.

Mr. Speaker, there is no catch or gimmick to this program. Hospital Administrator Robert J. Mohalski believes the program will eventually pay for itself through increased hospital census, and ultimately will increase the hospital's effectiveness.

In less than a month, 4,500 already have signed for their GoldenCare Plus cards.

St. Joseph also provides special reserved parking at the hospital, free financial counselors and a 50-percent discount on purchases in the hospital cafeteria for all cardholders.

St. Joseph has met the challenge of providing for the ever-changing health care needs, worries and frustrations of the elderly. This is one example of providing quality health care while keeping costs under control. I hope it's contagious in Illinois and across the country.

H.R. 1914

HON. JAMES A TRAFICANT, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, September 4, 1985

Mr. TRAFICANT. Mr. Speaker, earlier this session, I spoke on the House floor concerning AT&T and its plans to invest $30 million to build a plant in Singapore to produce residential telephones. This work is presently done at a plant in Shreveport, LA, and would result in the loss of about 2,000 American jobs.

Recently, AT&T announced that it would be eliminating 24,000 jobs at the communications products unit to make this particular facet of their operation more profitable. Robert E. Allen, chairman of AT&T, said that market conditions had dictated this latest action and that further reductions may be necessary.

Morton Bahr, president of the Communications Workers of America believes these cuts are being made only to achieve increased short-term profits and will result in the loss of AT&T's greatest resource, skilled craft workers. The Communications Workers of America represent about 70 percent of the jobs to be eliminated.

Again, yet another U.S. multinational corporation is making drastic cuts in its U.S. operations while continuing to expand its overseas plans. This type of action will not stimulate economic recovery and provide jobs for the thousands who are unemployed in this country. American jobs are continuing to be sent overseas at an accelerated rate.

I have introduced legislation, the Foreign Subsidiary Tax Equity Act, that would discourage American corporations from moving their operations and American jobs overseas. This legislation would plug an existing loophole in the Tax Code by requiring these U.S. plants to pay tax on the income generated in tax haven countries.

Can we continue to allow American jobs to be shipped overseas? I think American workers need our help, and I believe my legislation, H.R. 1914, is a valuable step in that direction. American jobs and economic stability are at stake in this crisis. I urge you to cosponsor H.R. 1914.

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an additional procedure along with the computerization of this information, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, September 5, 1985, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

SEPTEMBER 6

9:30 a.m.
Joint Economic
To hold hearings on the employment/unemployment situation for August.
2359 Rayburn Building

10:30 a.m.
Joint Economic
Economic Resources, Competitiveness, and Security Economics Subcommittee
To hold hearings on the causes of excessive defense costs.
2359 Rayburn Building

SEPTEMBER 9

9:00 a.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold oversight hearings on the implementation of the Motor Carrier Act (P.L. 96-296).
SR-253

9:30 a.m.
Finance
Health Subcommittee
To hold hearings on S. 1265, to provide compensation for workers injured by exposure to asbestos.
SD-215

10:00 a.m.
Agriculture, Nutrition, and Forestry
To hold hearings on the nominations of Susan M. Phillips, of Iowa, to be a Commissioner of the Commodity Futures Trading Commission, Vance L. Clark, of California, to be Administrator of the Farmers Home Administration, and Larry L. DeVuyst, of Michigan, to be a Member of the Federal Farm Credit Board, Farm Credit Administration.
SR-328A

Governmental Affairs
To hold hearings on S. 1527, to establish a new retirement program for all Federal and postal employees and Members of Congress.
SD-106

Judiciary
Security and Terrorism Subcommittee
To hold hearings to explore the effects of terrorism in South Africa on the security of the United States.
SD-226

2:00 p.m.
Finance
Savings, Pensions and Investment Policy Subcommittee
To hold hearings on retiree benefits.
SD-215

SEPTEMBER 10

9:00
Finance
Taxation and Debt Management Subcommittee
To hold hearings on proposed legislation to raise the limit on the public debt.
SD-215

9:30 a.m.
Banking, Housing, and Urban Affairs
To resume oversight hearings on reforming Federal deposit insurance for banks and thrift institutions.
SD-538

Commerce, Science, and Transportation
To hold hearings on S. 1310, the Clean Campaign Act of 1985.
SR-253

Finance
Taxation and Debt Management Subcommittee
To hold hearings to examine the cigarette excise tax provisions of the Internal Revenue Code.
SD-215

Labor and Human Resources
Labor Subcommittee
To resume oversight hearings on the impact of the Supreme Court's ruling in Garcia vs. San Antonio Metropolitan Transit Authority on the coverage of State and local government employees under the Fair Labor Standards Act.
SD-430

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Governmental Affairs
To continue hearings on S. 1527, to establish a new retirement program for all Federal and postal employees and Members of Congress.
SD-342

Judiciary
Patents, Copyrights and Trademarks Subcommittee
To hold hearings on S. 1093, the Agricultural Patent Reform Act.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To hold hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SR-385

Joint Economic
Monetary and Fiscal Policy Subcommittee
To hold hearings to explore America's economic challenge in Asia.
SD-562

2:00 p.m.
Commerce, Science, and Transportation
To hold hearings on the nominations of Terrence M. Scanlon, of the District of Columbia, to be Chairman of the Consumer Product Safety Commission, and Anne Graham, of Virginia, to be a Commissioner of the Consumer Product Safety Commission.
SR-253

Environment and Public Works
Environmental Pollution Subcommittee
To resume oversight hearings on the implementation of section 404 of the Clean Water Act, relating to the wetlands dredge and fill permit program.
SD-406

Finance
To hold hearings on port and waterway user fees.
SD-215

Joint Economic
Trade, Productivity, and Economic Growth Subcommittee
To hold hearings to explore America's economic challenge in Asia.
2203 Rayburn Building

3:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

SEPTEMBER 11

9:30 a.m.
Banking, Housing, and Urban Affairs
To continue oversight hearings on reforming Federal deposit insurance for banks and thrift institutions.
SD-538

Commerce, Science, and Transportation
Business meeting, to consider proposals relating to the future of Washington National Airport and Washington Dulles International Airport
SR-253

Finance
To hold hearings on proposed legislation to provide for certain spending reductions and revenue increases.
SD-215

Labor and Human Resources
To hold hearings on United States' relations with the International Labor Organization [ILO].
SD-430

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for United States agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Energy and Natural Resources
Business meeting, to resume consideration of S. 426, Electric Consumers Protection Act, S. 403, Hydroelectric Facility Relicensing Amendments, S. 1219, Fair Competition in Hydroelec-

tric Licensing Act, and S. 1260, Hydroelectric Relicensing Reform Act.
SD-366

Foreign Relations
To hold hearings on international narcotics trafficking.
SD-419

Governmental Affairs
To continue hearings on S. 1527, to establish a new retirement program for all Federal and postal employees and Members of Congress.
SD-342

Judiciary
To hold hearings on certain provisions of the Conrail Sale Amendments of 1985.
SD-226

Select on Indian Affairs
To hold hearings on S. 1396, to settle unresolved claims relating to certain allotted Indian lands on the White Earth Indian Reservation in Minnesota.
SD-628

1:00 p.m.
Commerce, Science, and Transportation
Communications Subcommittee
To continue hearings on competitiveness in the long-distance telephone markets.
SR-253

2:00 p.m.
Judiciary
To hold hearings on pending nominations.
SD-226

3:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

SEPTEMBER 12

9:00 a.m.
Armed Services
To hear and consider the nominations of Robert K. Dawson, of Virginia, to be Assistant Secretary of the Army for Civil Works, Robert B. Sims, of Tennessee, to be Assistant Secretary of Defense for Public Affairs, and routine military nominations.
SR-222

Office of Technology Assessment
The Board, to hold a general business meeting.
EF-100, Capitol

9:30 a.m.
Energy and Natural Resources
Energy Research and Development Subcommittee
To hold oversight hearings on the Department of Energy's "Mission Plan for the Civilian Radioactive Waste Management Program."
SD-366

Finance
To continue hearings on proposed legislation to provide for certain spending reductions and revenue increases.
SD-215

10:00 a.m.
Agriculture, Nutrition, and Forestry
Business meeting, to mark up S. 501 and S. 616, bills to expand export markets for U.S. agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on S. 1461, to permit for 2 years, any passenger cruise vessel that was built in the United States and subsequently sold foreign to be brought back under the U.S. flag with domestic trading privileges.
SR-253

Foreign Relations
European Affairs Subcommittee
To hold hearings to review the National Alliance Treaty Organization [NATO].
SD-419

Judiciary
Business meeting, to consider pending calendar business.
SD-226

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

2:00 p.m.
Finance
International Trade Subcommittee
To resume hearings on S. 680, to limit imports of textile products into the United States to a 1-percent growth rate for exporting countries.
SD-215

Foreign Relations
European Affairs Subcommittee
To hold closed hearings to review the National Alliance Treaty Organization [NATO]
Room to be announced

3:00 p.m.
Agriculture, Nutrition, and Forestry
Business meeting, to markup S. 501 and S. 616, bills to expand export markets for U.S., agricultural commodities, provide price and income protection for farmers, assure consumers an abundance of food and fiber at reasonable prices, and continue low-income food assistance programs, and related measures.
SR-328A

SEPTEMBER 13

9:30 a.m.
Finance
To continue hearings on proposed legislation to provide for certain spending reductions and revenue increases.
SD-215

10:00 a.m.
Foreign Relations
European Affairs Subcommittee
To continue hearings to review the National Alliance Treaty Organization [NATO].
SD-419

2:30 p.m.
Commerce, Science, and Transportation
Surface Transportation Subcommittee
To hold hearings to examine motor carrier safety and Mexican trucking operations.
SR-253

SEPTEMBER 16

9:30 a.m.
Finance
Taxation and Debt Management Subcommittee
To hold hearings on S. 376, the Child Health Incentives Reform Plan.
SD-215

SEPTEMBER 17

9:30 a.m.
Rules and Administration
To hold hearings on S. Res. 29 and S. Res. 81, measures to set forth regulations to implement television and radio coverage of Senate Chamber proceedings.
SR-301

10:00 a.m.
Energy and Natural Resources
Business meeting, to consider pending calendar business.
SD-366

Foreign Relations
Business meeting, to consider pending calendar business.
SD-419

Labor and Human Resources
Education, Arts, and Humanities Subcommittee
To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.
SD-430

2:00 p.m.
Finance
International Trade Subcommittee
To hold hearings on S. 1544, to extend and reform the Trade Adjustment Assistance Program, and related measures, including S. 1459, S. 234, and S. 23.
SD-215

SEPTEMBER 18

9:30 a.m.
Labor and Human Resources
To hold hearings on private sector initiatives to feed the world's hungry.
SD-430

Rules and Administration
To continue hearings on S. Res. 29 and S. Res. 81, measures to set forth regulations to implement television and radio coverage of Senate Chamber proceedings.
SR-301

10:00 a.m.
Commerce, Science, and Transportation
Merchant Marine Subcommittee
To hold hearings on fishing vessel safety and insurance.
SD-562

Foreign Relations

To resume hearings on the Supplementary Extradition Treaty Between the United States of America and the United Kingdom of Great Britain and Northern Ireland, with Annex (Treaty Doc. 99-8), signed at Washington on June 25, 1985.

SD-419

Judiciary

Juvenile Justice Subcommittee

To hold hearings on S. 985, to protect the rights of victims of child abuse.

SR-325

Select on Indian Affairs

To hold hearings on S. 1298, to coordinate and expand services for the prevention, identification, and treatment of alcohol and drug abuse among Indian youth.

SR-485

2:00 p.m.

Governmental Affairs

Energy, Nuclear Proliferation and Government Processes Subcommittee

To hold oversight hearings on enumeration of undocumented aliens in the decennial census.

SD-342

SEPTEMBER 19

9:30 a.m.

Banking, Housing, and Urban Affairs

To hold hearings on S. 812, to authorize the President to control loans and other transfers of capital to any or all of the Soviet bloc countries.

SD-538

Commerce, Science, and Transportation

To hold hearings on record labeling.

SR-253

Energy and Natural Resources

Energy Regulation and Conservation Subcommittee

To hold oversight hearings to review the Federal Energy Regulatory Commission notice of proposed rulemaking on Regulation of Natural Gas Pipelines after Partial Wellhead Decontrol.

SD-366

Finance

To resume hearings on the President's tax reform proposal.

SD-215

10:00 a.m.

Foreign Relations

European Affairs Subcommittee

To resume hearings to review the National Alliance Treaty Organization (NATO).

SD-419

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume hearings on proposed legislation authorizing funds for programs of the Higher Education Act.

SD-430

1:30 p.m.

Foreign Relations

European Affairs Subcommittee

To continue hearings to review the National Alliance Treaty Organization (NATO).

SD-419

SEPTEMBER 20

9:30 a.m.

Labor and Human Resources

To hold hearings on matters relating to private education.

SD-430

10:00 a.m.

Environment and Public Works

Environmental Pollution Subcommittee

To hold hearings on proposed legislation authorizing funds for wildlife refuge programs.

SD-406

SEPTEMBER 23

9:30 a.m.

Finance

International Trade Subcommittee

To resume hearings on S. 680, to limit imports of textile products into the United States to a 1-percent growth rate for exporting countries.

SD-215

SEPTEMBER 24

9:00 a.m.

Energy and Natural Resources

Energy Regulation and Conservation Subcommittee

To hold oversight hearings on innovative approaches in industrial energy efficiency.

SD-366

9:30 a.m.

Finance

To resume hearings on the President's tax reform proposal.

SD-215

10:00 a.m.

Foreign Relations

Business meeting, to consider pending calendar business.

SD-419

Labor and Human Resources

Children, Family, Drugs, and Alcoholism Subcommittee

To hold hearings on child fitness and health programs.

SD-562

SEPTEMBER 26

9:30 a.m.

Finance

To hold hearings on the President's tax reform proposal.

SD-215

10:00 a.m.

Energy and Natural Resources

Business meeting, to consider pending calendar business.

SD-366

Labor and Human Resources

Aging Subcommittee

To hold hearings on pension accrual and the older worker.

SR-385

2:00 p.m.

Foreign Relations

To hold hearings on financing of foreign military sales.

SD-419

Governmental Affairs

Energy, Nuclear Proliferation and Government Processes Subcommittee

To hold hearings on S. 209, the Federal Debt Recovery Act.

SD-342

SEPTEMBER 30

9:30 a.m.

Finance

Taxation and Debt Management Subcommittee

To hold hearings on proposed revisions in subchapter C of the Internal Revenue Code relating to corporate taxation.

SD-215

10:00 a.m.

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To hold hearings on S. 1440, the Non-Smokers Rights Act.

SD-342

OCTOBER 1

9:30 a.m.

Finance

To resume hearings on the President's tax reform proposal.

SD-215

10:00 a.m.

Governmental Affairs

Civil Service, Post Office, and General Services Subcommittee

To continue hearings on S. 1440, the Non-Smokers Rights Act.

SD-342

*Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To hold joint hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary, and Vocational Education on the problem of illiteracy in the United States.

2175 Rayburn Building

Labor and Human Resources

Children, Family, Drugs, and Alcoholism Subcommittee

To hold hearings on the exploitation of runaway children.

SD-628

11:00 a.m.

Veterans' Affairs

To hold hearings to review the legislative priorities of the American Legion.

SD-106

OCTOBER 2

9:30 a.m.

Finance

To continue hearings on the President's tax reform proposal.

SD-215

10:00 a.m.

Select on Indian Affairs

To hold hearings on S. 1558, to settle certain claims affecting the Pyramid Lake Paiute Indian Tribe of Nevada.

SR-485

OCTOBER 3

9:30 a.m.

Finance

To continue hearings on the President's tax reform proposal.

SD-215

10:00 a.m.

Labor and Human Resources

Education, Arts, and Humanities Subcommittee

To resume joint hearings with the House Committee on Education and Labor's Subcommittee on Elementary, Secondary, and Vocational Education on the problem of illiteracy in the United States.

2175 Rayburn Building