

Amy Sue Reichel of Hunter College High School, first prize; Joel M. Wein of Stuyvesant High School, fifth; Terrence D. Sanger of the Dalton School, sixth; Lori I. Kaplowitz of George W. Hewlett High School, seventh; Seth Finkelstein of the Bronx High School of Science, eighth; Mark L. Movsesian of Forest Hills High School, ninth; and William Chang of the Bronx High School of Science, tenth.

An article about the Westinghouse competition appeared in the March 3 issue of the New York Times. I ask unanimous consent that it be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

**TOP WINNER IN WESTINGHOUSE SCIENCE SEARCH IS HUNTER HIGH PIANIST, 17**

(By Timothy M. Phelps)

WASHINGTON, March 2.—A 17-year-old senior at Hunter College High School in Manhattan, who worked for five months on experiments in genetic engineering that helped explain resistance to disease, won the top prize today in the annual Westinghouse Science Search.

The winner, Amy Sue Reichel, who conducted her experiments at the Albert Einstein College of Medicine, will receive a \$12,000 scholarship.

Second place and a \$10,000 scholarship went to Douglas A. Simons, 18, of Vero Beach, Fla., who designed and built his own optical instruments for his study of the moon's surface. Michael M. Dowling, 18, of Newington, Conn., won third prize and a \$10,000 scholarship with a clinical biochemical research project.

Miss Reichel said in an interview that she first had learned of her talent in science in the sixth grade when she was able to figure out a gear ratio that none of her classmates had understood.

Hunter College High School, on Park Avenue between 94th and 95th Streets, is part of the City University of New York. No tuition is charged at the school, which is attended by 1,200 intellectually gifted children selected through competitive examinations.

Miss Reichel is an accomplished pianist—Bach, Beethoven, Chopin, and Debussy are her favorites—and she also likes to paint.

"A lot of people think that if you're interested in science, you can't be interested in the arts at the same time," she said. "That's always bothered me. I like to do a lot of different things."

The annual contest is conducted by a non-profit organization, Science Service, for Westinghouse Electric, the sponsor.

Of the top 10 winners among the 40 finalists who assembled here for the last five days, seven were from the New York metropolitan area. This reflected a trend that has always been a topic of conversation at the annual judging.

One Westinghouse official said that "New Yorkers have no inhibitions," whereas "you might be more inhibited if you came from Oklahoma." Others cited the New York's science-oriented high schools and multitude of research facilities.

"It's really hard to do research, you know," said Michael R. Candan, a 17-year-old senior at Benjamin N. Cardozo High School in Queens, who studied the use of an extract from fern leaves as a repellent to flour beetles. "You have to have equipment. Usually you have to go to a university, which is found only in the major cities, and sort of beg for help."

Joel M. Wein, a 17-year-old Manhattan resident who goes to Stuyvesant High School in Manhattan, said of his friends on the school's mathematics team. "My friends are some of the most brilliant mathematicians in the country. You can't help but get excited when you are running around with people like that."

Mr. Wein, who did his project in numbers theory ("An Examination and Generalization of the Syracuse Algorithm"), came in fifth and got a \$7,500 scholarship.

Both the students and the judges of the competition say that teachers in New York set their sights early on the Westinghouse competition and begin encouraging their best students years in advance to start working on projects.

The Bronx High School of Science, according to some of the finalists, has a special research course aimed at the Westinghouse program. As a result, the main hall of the school displays 50 feet of plaques from the competition, according to E. G. Sherburne Jr., director of Science Service. The school will add three more plaques this year from among the top 10 finalists.

The 40 finalists, who exhibited their projects to the public at the National Academy of Science over the weekend, were a tidy and friendly lot who tended to address their elders as "sir." The trend in clothing was toward suits and sports jackets for the boys, skirts or dresses for the girls.

It is a big change from the finalists of the 60's, said Dr. David Axelrod, New York Commissioner of Health and the chairman of the judges for this competition.

The other official winners were: Song Pan, 17, of Miami, fourth, a \$7,500 scholarship; Terrence D. Sanger, 17, of Manhattan, Dalton School, sixth, \$7,500; Lori E. Kaplowitz, 17, of Woodmere, L.I., George W. Hewlett High School, seventh, \$5,000; Seth Finkelstein, 16, of the Bronx, Bronx High School of Science, eighth, \$5,000; Mark L. Movsesian, 17, of Forest Hills, Queens, Forest Hills High School, ninth, \$5,000; and William Chang, 17, of Fresh Meadows, Queens, Bronx High School of Science, 10th, \$5,000.

## GASOLINE SURPLUSES

Mr. MITCHELL. Mr. President, recent news reports indicate that gasoline stocks in the country are at record levels.

I hope this means we can look forward to seeing some downturn in gasoline prices at the pump in the near future. The normal interplay of free market forces causes a price downturn when demand is slack and supplies are adequate. With decontrol of domestic crude oil production and the removal of regulations governing the oil industry, I hope that the free market forces which play a role in the seasonal rise and fall of other commodities, such as food supplies, will begin to operate in the oil industry.

On March 2, the New York Times reported that spot market prices for gasoline were some 13 cents lower than the wholesale prices being charged by major oil companies. The spot market is apparently responding to demand fluctuations.

If the spot market is showing the classic signs of adequate supply and weakened demand, I hope the decontrolled oil market will show similar signs. The report that cheaper European-refined gasoline is being imported into

this country because of our rising prices—although demand is slackening—is a disturbing indication that the decontrolled market may represent a license to keep raising prices, not an interplay of the classic economic pressures of supply and demand.

I hope that this is not true, and that we will soon see a downturn in gasoline prices at the pump.

Mr. President, I ask unanimous consent that the full text of the New York Times article appear in the Record at this point.

There being no objection, the article was ordered to be printed in the Record, as follows:

**BIG STOCKS OF GASOLINE SOFTEN PRICE—LOWER DEMAND IS ALSO ERODING RETAIL MARKUPS**

(By Douglas Martin)

Gasoline stocks in the United States are nearing record levels, and oil company officials and independent analysts are beginning to suggest that the ample inventories could stem the upward rush in retail prices, and perhaps even begin to push them downward.

Recent increases in crude oil prices continue to exert an upward pressure, analysts caution. But, "The higher the inventories, the greater the downward pressure on prices," noted one economist for a major oil company.

The American Petroleum Institute reported last week that gasoline inventories, including stocks held at refineries, storage terminals and service stations, rose to 280.2 million barrels on Feb. 20 from 280.1 million a week earlier and 259 million at the beginning of 1981.

The record level of gasoline stocks was 283.3 million barrels on April 18, 1980. Those inventories helped insure stable gasoline prices last summer, and even a slight drop in the autumn.

## PRICES DOUBLED IN TWO YEARS

Over all, however, gasoline prices have approximately doubled over the past two years, with prices for unleaded regular now exceeding \$1.60 a gallon in Manhattan. The Lundberg Letter, a gasoline industry trade publication, estimates that the national average price of gasoline now exceeds \$1.34, an rise of more than 12 cents this year. Industry officials foresee at least another 8-cent increase in 1981, but there is mounting doubt whether such an increase is possible in today's market.

Already high stock levels, coupled with reduced demand, are making it difficult for gasoline retailers to pass on the wholesale price increases of nearly 10 cents a gallon declared by major oil companies since President Reagan decontrolled the price of crude oil less than a month ago.

The Shell Oil Company calculates that dealers' margins now average 8 to 9 cents a gallon, compared with about 13 cents a year ago. Some retailers margins have sunk as low as 4 to 5 cents because of the stiff competition.

Reflecting the weakening market Oil Buyers Guide reports that the price of gasoline has softened on the spot market, which responds more quickly to forces of supply and demand than the contract market. Moreover, gasoline is selling on the spot market for 13 cents a gallon below the wholesale prices charged by major oil companies, exerting further downward pressure on prices, according to industry analysts.

"The pace of the major companies' price increases has slackened," noted Albert Bas-



sano, editor of Oil Buyers Guide. Although about half a dozen oil companies increased wholesale gasoline prices last week, the rises were generally a penny or less, compared with earlier increases of 3 to 5 cents.

Moreover, substantial quantities of gasoline are said to be coming into the United States from Europe because of even weaker demand there and the rising prices here. Oil company planners are debating whether they should replace some of their domestically refined gasoline with cheaper imports.

But demand in this country has also been weakening. United States gasoline consumption fell 6 percent last year, and a further drop of 3 percent is foreseen this year by oil industry economists.

"If demand continues to decrease, it's going to put pressure on prices," said Lawrence Goldstein, of the Petroleum Industry Research Foundation.

But the price of the crude oil used to produce gasoline has risen by \$3 to \$4 a barrel, or about 8 cents a gallon, over recent months, and oil companies insist they have no choice but to pass these costs on to gasoline consumers.

"When the price of the raw material goes up, it doesn't make much difference how much gasoline you have in stock," said Charles M. Kittrell, executive vice president of the Phillips Petroleum Company.

The current high gasoline inventories are partly the result of the soaring prices. A rule of thumb in the business says that every 10 percent increase in prices results in a 2 percent drop in demand.

The growth in stocks has also been the result of high demand for heating oil caused by this winter's cold weather. Refinery design requires that, within certain limits, processors must make more of every product to make more of one specific product, such as heating oil.

Also, the oil industry has reacted to supply interruptions, feared or actual, by keeping more gasoline on hand than was considered necessary in prior years. This is also true of crude oil, stocks of which stood at 376.6 million barrels on Feb. 20, compared with 352.9 million a year earlier, according to the petroleum institute.

#### MESSAGES FROM THE PRESIDENT RECEIVED DURING THE RECESS

Under the authority of the order of the Senate of March 5, 1981, the Secretary of the Senate on March 6, 1981, received messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received on March 6, 1981, are printed at the end of the Senate proceedings.)

#### MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

#### FISCAL YEAR 1982 BUDGET REVISIONS—MESSAGE FROM THE PRESIDENT—PM 35

The PRESIDING OFFICER laid before the Senate the following message

from the President of the United States, together with accompanying papers; which, pursuant to the order of January 30, 1975, was referred jointly to the Committee on Appropriations and the Committee on the Budget:

#### To the Congress of the United States:

On February 18, I spoke to a Joint Session of Congress about the economic crisis facing America. I pledged them to take the action necessary to alleviate the grievous economic plight of our people. The plan I outlined will stop runaway inflation and revitalize our economy if given a chance. There is nothing but politics-as-usual standing in the way of lower inflation, increased productivity, and a return to prosperity.

Our program for economic recovery does not rely upon complex theories or elaborate Government programs. Instead, it recognizes basic economic facts of life and, as humanely as possible, it will move America back toward economic sanity. The principles are easily understood, but it will take determination to apply them. Nevertheless, if inflation and unemployment are to be curtailed, we must act.

First, we must cut the growth of Government spending.

Second, we must cut tax rates so that once again work will be rewarded and savings encouraged.

Third, we must carefully remove the tentacles of excessive Government regulation which are strangling our economy.

Fourth, while recognizing the independence of the Institution, we must work with the Federal Reserve Board to develop a monetary policy that will rationally control the money supply.

Fifth, we must move, surely and predictably, toward a balanced budget.

The budget reform plan announced on February 18 includes 83 major cuts resulting in \$34.8 billion outlay savings for 1982, with greater future savings. With this message, over 200 additional reductions are proposed. An additional \$13.8 billion in savings are now planned. Further, I am proposing changes in user charges and off-budget payments that will bring total fiscal savings to \$55.9 billion. This compares with \$49.1 billion in fiscal savings announced on February 18.

In terms of appropriations and other budget authority that will affect future spending, we are proposing elimination of \$67 billion in 1982 and over \$475 billion in the period 1981 to 1986.

These cuts sound like enormous sums—and they are—until one considers the overwhelming size of the total budget. Even with these cuts, the 1982 budget will total \$695.3 billion, an increase of 6.1 percent over 1981.

The budget reductions we are proposing will, undoubtedly, face stiff opposition from those who are tied to maintaining the status quo. But today's status quo is nothing more than economic stagnation coupled with high inflation. Dramatic change is needed or the situa-

tion will simply get worse, resulting in even more suffering and misery, and possibly the destruction of traditional American values.

While recognizing the need for bold action, we have ensured that the impact of spending reductions will be shared widely and fairly by different groups and the various regions of the country. Also, we have, as pledged, maintained this society's basic social safety net, protecting programs for the elderly and others who rely on Government for their very existence.

Budget cuts alone, however, will not turn this economy around. Our package includes a proposal to reduce substantially the personal income tax rates levied on our people and to accelerate the recovery of business with capital investment. These rate reductions are essential to restoring strength and growth to the economy by reducing the existing tax barriers that discourage work, saving, and investment. Individuals are the ultimate source of all savings and investment. Lasting economic progress, which is our goal, depends on our success in encouraging people to involve themselves in this kind of productive behavior.

Our tax proposal will, if enacted, have an immediate impact on the economic vitality of the Nation, where even a slight improvement can produce dramatic results. For example, a 2 percent increase in economic growth will add \$60 billion to our gross national product in one year alone. That \$60 billion adds to the State and local tax base, to the purchasing power of the American family, and to the resources available for investment.

When considering the economic recovery package, I urge the Members of Congress to remember that last November the American people's message was loud and clear. The mandate for change, expressed by the American people, was not my mandate; it was our mandate. Together we must remember that our primary responsibility is to the Nation as a whole and that there is nothing more important than putting America's economic house in order.

The next steps are up to Congress. It has not been easy for my Administration to prepare this revised budget. I am aware that it will not be easy for the Congress to act upon it. I pledge my full cooperation. It is essential that, together we succeed in again making this Nation a land whose expanding economy offers an opportunity for all to better themselves, a land where productive behavior is rewarded, a land where one need not fear that economic forces beyond one's control will, through inflation, destroy a lifetime of savings.

RONALD REAGAN.

THE WHITE HOUSE, March 10, 1981.

#### RESCISSION AND DEFERRAL OF CERTAIN BUDGET AUTHORITY—MESSAGE FROM THE PRESIDENT—PM 36

The PRESIDING OFFICER laid before the Senate the following message