SENATE—*Thursday, May 12, 1983*

(Legislative day of Monday, May 9, 1983)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the President pro tempore (Mr. THURMOND).

The PRESIDENT pro tempore. Our prayer today will be offered by Rabbi Efry Spectre, from the Adat Shalom Synagogue, Farmington Hills, Mich., who is sponsored by Senator CARL LEVIN, of Michigan.

PRAYER

Rabbi Efry Spectre offered the following prayer:

Our God and God of our ancestors:

As this august legislative body, the U.S. Senate, once more assembles we call to mind at this season Your giving of the Law thousands of years ago to the Children of Israel at Mount Sinai.

Ever conscious that You have decreed us made in Your image, and seeking anew some understanding for applying meaningfully that concept, we remind ourselves that, with all the possible attributions of glory and power which might invoke Your Name, You have chosen to identify Yourself in those Ten Commandments as "the * * * God Who brought You forth out of * * * the House of Bondage."

O Lord, may these Senators, our great country's leaders, in like manner find the fortitude within them to make this their touchstone—that the law issuing forth from these revered Chambers find its source and inspiration in the ideal of responsible freedom. May we be worthy, thereby, to walk with You in Your "ways of pleasantness" and know Your "paths of peace." Amen.

RECOGNITION OF THE MAJORITY LEADER

The PRESIDENT pro tempore. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

PROPOSALS FOR THE SENATE'S BICENTENNIAL

Mr. BAKER. Mr. President, the 200th anniversary of the Senate is less than 6 years away. With this singular event in view, the Senate in 1980 established a Study Group on the Commemoration of the U.S. Senate Bicentenary. I was privileged to serve on that 16-member panel along with the distinguished minority leader, the chairman and ranking member of the Rules Committee, and our colleagues Senators WARNER, GORTON, and PELL. We were joined by former Senators Hugh Scott, Milton Young, and Wendell Anderson, as well as the Secretary of the Senate, the Librarian of Congress, the Archivist of the United States, and three scholars of national distinction.

In December 1982, the study group issued its final report with 14 specific recommendations including ceremonial events, exhibitions, conferences, and publications. The study group requested that each current and former Member and officer of the Senate have the opportunity to comment on the report. Those comments now have been received and appended to the report.

Mr. President, the study group also recommended that its final report be published as a Senate document to insure widest possible dissemination to the American public. Accordingly, Mr. President, I ask unanimous consent that the final report of the Study Group on the Commemoration of the U.S. Bicentenary be printed as a Senate document, and I also ask unanimous consent that it be printed in the RECORD.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The document is as follows:

FINAL REPORT: STUDY GROUP ON THE COMMEMORATION OF THE UNITED STATES SENATE BICENTENARY

BACKGROUND

On March 5, 1980, Senator Robert C. Byrd introduced for himself and for Senators Howard Baker, Ted Stevens, and Harry Byrd, Jr., Senate Resolution 381 which provided for the establishment of a Study Group on the Commemoration of the United States Senate Bicentenary. The sponsors expressed their desire to observe the Senate's 200th anniversary in 1989 in an appropriate manner. Senator Byrd suggested publications, ceremonial observances, conferences, and exhibits. Senator Stevens added that he believed current members of the Senate have the responsibility "to make certain that the institution of the Senate, as such, is recognized, and that this anniversary date is appropriately brought to the attention of the public." By creating the Study Group well in advance of the bicentennial, the Senate could also capitalize on the economics of careful advance planning, draw as much as possible on existing resources, and keep expenses to a reasonable minimum.

The Senate agreed to S. Res. 381 on August 1, 1980 and amended it on January 28, 1982 (S. Res. 285) to extend the Study Group's reporting date to December 31, 1982. The Study Group held three meetings in Washington, on March 24, September 14, and December 2, 1982. Members of the offices of the Senate Historian and Senate Curator, under the jurisdiction of the Secretary of the Senate, served as staff to the Study Group, further minimizing operating expenses. Staff consulted with representatives of the Library of Congress and National Archives, with professional historians, museum curators, and filmmakers, and with those involved in planning for the 200th anniversary of the United States Constitution and formation of the federal government. In this latter connection, the Senate passed S. 2671 on October 1, 1982 providing for a sixteen-member presidential commission "to promote and coordinate activities to commemorate the bicentennial of the Constitution."

RECOMMENDATIONS

The Study Group recommends a coordinated program of publications, ceremonial events, conferences, and a film to inform the nation on the role of the Senate in the workings of the federal government, from its historical beginnings through two hundred years of growth, challenge, and change. Throughout its deliberations, the Study Group considered the most appropriate means for the Senate to inspire and support such commemorative activity. It is the strongly held view of the Study Group that the Senate promote only those meritorious projects that could not be undertaken more effectively by individuals and organizations independent of the Senate. By beginning planning now, the Senate can also minimize the costs of these important undertakings while maximizing their results.

These recommendations are of several types. First are the recommended projects requiring specific additional funding. They include a biographical directory of the Senate's members from 1789 to 1989, a guide to the Senate's records at the National Archives, microform publication of selected heavily-used 18th and 19th century Senate records, two bicentennial conferences, exhibits for display in the Capitol and throughout the nation. Second are recommended projects that can be undertaken within the Senate through existing resources. These include a Senate historical almanac, a guide to locations of all former senators' manuscript collections, and a single volume collection of memoirs of Senate officials since 1789. Other projects, such as a documentary film on the Senate's history and functions, the issuance of a commemorative postage stamp and medals, and exhibits at the National Archives and Library of Congress, can be conducted independently of the Senate.

PROJECTS REQUIRING SPECIAL FUNDING

(1) *Biographical Directory of the United States Senate, 1789-1989.*—The Study Group proposes a single, up-to-date comprehensive biographical guide to the more than 1,750 individuals who have served in the Senate since 1789. This guide would replace and expand upon the now out-of-print "Biographical Directory of the American Congress, 1774-1971." Although that directory appeared in eleven editions since 1859, its format had become unwieldy and prohibitively expensive, and there are no plans to update or reprint it. That publication also

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

AUTHENTICATED U.S. GOVERNMENT INFORMATION GPO

suffers major shortcomings: it provides information on members only prior to and after their service in Congress, with no reference to their committee chairmanships or legislative accomplishments; it also lacks citations to biographies and other books by and about members. The proposed biographical guide would incorporate this additional information as well as newly written profiles of members who have arrived since 1971.

The Study Group proposes a 600-page directory containing 200-500 word sketches and bibliographical citations for all senators serving in the first one hundred Congresses. The Study Group considered and rejected a proposal to commission scholars to write new accounts of all former senators similar to those for approximately 500 members appearing in the "Dictionary of American Biography." This would entail great expense and would tend to duplicate articles in the Dictionary, even though many of them, prepared in the 1930s, are dated.

Should the House of Representatives decide to undertake a similar revision for its ten thousand former members, these projects could be easily coordinated.

This project could readily take advantage of the Senate's existing computer facilities. The Senate Historical Office maintains a computer data file with information on books and articles on most former senators. Enrichment of this data file with biographical information should prove to be a simple and cost-effective operation.

(2) *Guide to Senate Records at the National Archives.*—The Study Group proposes the preparation and publication of a guide to the approximately twenty thousand linear feet of non-current permanent records of the United States Senate at the National Archives. Dating from 1789, these materials are fundamental sources for the study and understanding of the Senate's history and role in the legislative process and of the general history of the American people. They are a basic component in the Senate's institutional memory.

Currently there is no useful guide to this important collection. As an outgrowth of the Study Group's belief that these records constitute a vital portion of the nation's documentary heritage, action was initiated after the Group's March 1982 meeting to institute a preservation program for deteriorating 18th and 19th century records. The National Archives submitted a comprehensive plan under which it would contribute 25 percent of the rehabilitation costs. The Senate approved this plan, and funding was made available through the Supplemental Appropriations Act for Fiscal Year 1982. A guide to the full collection would greatly promote its use.

The National Archives can utilize its present computer system to facilitate the necessary revision and updating of its preliminary inventory to Senate records, published nearly four decades ago. That agency estimates this project could be accomplished over a five-year period at a cost of $90,000 per year.

(3) *Exhibitions and Ceremonial Events.*—The Study Group recommends a series of exhibits to be installed in the Capitol or Senate office buildings. The first would highlight notable events in the first century of the Senate's history through display of a wide selection of original documents. A second exhibit would focus on works of American graphic artists depicting the Senate's formative years to the present. Drawings, engravings, architectural renderings, and photographs could all play a prominent role in illustrating the Senate's legislative, cultural, social, architectural, and artistic heritage. Since 1975, the Senate Commission on Art and Antiquities has acquired over two hundred engravings of the Senate that originally appeared in mid-to-late 19th century periodicals. This collection as well as the extensive photographic resources of the Senate Historical Office, will be invaluable to the development of this exhibition.

With the selection in the late 1950s of Henry Clay, Daniel Webster, John C. Calhoun, Robert M. LaFollette, Sr., and Robert A. Taft as outstanding former senators and the subsequent commissioning of their portraits for the Senators' Reception Room, a special gallery was created near the Senate chamber. Because it is one of the most popular rooms in the Capitol, it is proposed that a series of exhibits, which chronicle the periods in which these members served, be installed adjacent to the portraits in the Reception Room. The exhibit cases, although somewhat limited in size, would feature memorabilia related to the subjects as well as noteworthy documents and graphics.

Traveling Exhibitions: The Study Group recommends further consideration be given to circulating throughout the country exhibits based on special displays that are scheduled for installation in the Capitol building during the bicentennial period. Exhibits telling the story of the Senate through the works of American graphic artists and political cartoonists would lend themselves to this format.

The Study Group recommends that March 4, 1989 be observed in a joint session in the House of Representatives chamber. April 6, 1989 marks the two hundredth anniversary of the day the Senate achieved its first quorum and got down to business. The Senate could convene either in the Old Senate Chamber, or in its present chamber, on that date for a brief ceremonial program. Additional ceremonies associated with the signing and ratification of the Constitution might be planned for Independence Hall in Philadelphia.

(4) *Microfilm Publication of Key Senate Records.*—The National Archives recommends four specific projects for microfilming Senate records. The first would involve completing a longstanding plan to film the records of the precedent-setting first fourteen Congresses (1789-1817). The remaining projects (see appendix) were suggested because they involve records of greater historical interest that complement existing filmed collections of Executive and Judicial Branch records. The Study Group recommends that the filming of the first fourteen Congress' records be given a higher priority than the other three projects, but believes that all are worthy of Senate funding.

The records of the first fourteen Congresses have great precedential value and have been used extensively in research on constitutional, legislative, and administrative topics. Most of the earliest documents of the Executive and Judicial branches have already been microfilmed. In contrast, Senate records for the period have been filmed only in part. Filming Senate records for the first fourteen Congresses would prevent further wear and tear on materials vitally important for an understanding of our nation's history, besides making them more widely accessible to the American public.

PROJECTS REQUIRING NO SEPARATE FUNDING

(5) *Senate Historical Almanac.*—During its two hundred year existence, the Senate has been at the heart of the nation's political and constitutional development. Its 1,800 members have confronted a full range of public issues, from the profound to the ephemeral, with varying degrees of imagination and success.

The Study Group proposes a historical almanac that will capture in a chronological narrative the major issues, events, and personalities that have illuminated the Senate's past. Consisting of two sections, the almanac would include brief descriptions of major legislative confrontations, as well as of the development of institutional customs and precedents. The second section would provide lists, charts, and tables compiled within the Senate Historical Office in response to frequently asked questions related to characteristics of members' service and legislative performance.

The almanac, scrupulously non-partisan in substance and tone, would be published in an inexpensive paperbound edition of approximately 120 pages for widespread public distribution through members' offices.

In this connection, the Study Group wishes to take notice of a recent publication of the Library of Congress' Congressional Research Service, "Major Acts of Congress and Treaties Approved by the Senate, 1789-1980" (September 1982, 255 pages, Report No. 82-156 GOV).

(6) *A Guide to the Research Collections of Former United States Senators: 1789-1982.*—The Study Group is pleased to observe that the first volume in the projected series of bicentennial publications will soon be available. Work on the guide to the research collections of former senators has been underway for the past five years. The Senate Historical Office has surveyed 350 institutions believed to hold senatorial manuscripts and memorabilia, and has located information on more than 1,400 of the 1,659 former members. The result of the extensive search will be contained in a volume of approximately 500 pages to be published at the end of 1982. Included will be detailed information on locations of all known senatorial papers, oral histories, portraits, photographs, and memorabilia.

Arranged alphabetically by senator, the guide will provide a useful starting point for anyone contemplating research on the Senate and its many members. Several appendices will list senators by state with party affiliations, birth and death dates, and dates of Senate and House service. Another appendix lists individual repositories by state and city along with the senators whose collections they hold.

(7) *Staff Memoirs: The Senate From Inside.*—The Study Group recommends a single-volume publication that would bring together selected reminiscences, including letters, diaries, memoirs, and oral histories, of long-time Senate staff members. These long-serving staff, some of whose Senate careers spanned more than sixty years, bring a unique perspective to the institution through their close-range observations. The letters and diaries of three men alone encompass almost a century and a half of the Senate's history: Lewis Machen, 1809-1860; Isaac Bassett, 1831-1895; and Carl Loeffler, 1889-1949. For recent years, the Senate Historical Office has conducted an oral history program with former staff members, including Floyd Riddick, Parliamentarian Emeritus; Darrell St. Claire, former Assistant Secretary of the Senate; and several other senior staff whose Senate service predated World War II.

The single-volume edited publication would include annotations and appropriate

illustrations to enhance its usefulness and interest to scholars and the general public. Consisting exclusively of primary materials gleaned from public and private manuscript and oral history sources, the book would be approximately 400 pages in length.

(8) *Senator Robert C. Byrd's History of the United States Senate.*—The Study Group recommends the publication of the collected addresses on the history and traditions of the United States Senate, which Senator Robert C. Byrd began in March 1980. Carefully researched and cast from the party leader's unique perspective, these addresses are, in the Study Group's estimation, worthy of separate publication and wide distribution.

Projects recommended for further study (The Study Group strongly supports the objectives of proposals in this category, but lacks unanimity on the manner in which they would be accomplished).

(9) *Minutes of Democratic and Republican Party Caucuses.*—Since the beginning of this century both major Senate parties have held formal caucuses and have kept minutes of those sessions. Over the past twenty years these minutes have become more detailed, often including verbatim transcriptions. Although not official Senate records, the minutes are important documentary resources for an understanding of Senate operations and of great interest to researchers. The Republican party has generally granted access on a case by case basis, particularly for records more than two decades old.

The Study Group considered a proposal to publish, in edited form, party minutes more than twenty years old. It was argued that this would make them available to a wider audience than just those who could afford to travel to Washington and that participating senators would have the opportunity for review before publication.

After careful consideration, the Study Group found itself divided on this proposal, with some contending that the minutes were never intended to be made public, regardless of age. The Study Group believes this is a matter appropriate for determination by the Senate leadership. Although the Group makes no specific recommendation, it does not wish thereby to relegate this proposal to a secondary status.

(10) *Conferences and Symposia.*—The Study Group recommends that the Senate sponsor a minimum of two conferences between 1984 and 1989 related to development of the Senate's constitutional responsibilities and legislative role. The initial conference might be directed to an examination of alternative methods and approaches leading to publication of a scholarly history of the Senate. The second conference should be involved with substantive themes and issues of the Senate's past, present, and future. It might be appropriate to invite the oldest living former member of the Senate to preside at the 1989 conference. Specific topics should be formulated in cooperation with the Library of Congress, the Senate Historical Office, and "Project '87" of the American Historical Association and the American Political Science Association (see Appendix B), as well as other interested scholarly bodies.

(11) *A History of the United States Senate.*—In 1938 Professor George H. Haynes concluded a thirty-year research effort with the publication of his two volume "The Senate of the United States." Haynes' work focuses on the development of Senate procedure and precedents. After nearly a half-century it is very much out of date.

A new history is clearly in order and the Senate bicentennial provides an appropriate occasion for such an undertaking. Such a project obviously requires careful additional study. A positive step in that direction would involve convening a small conference of congressional scholars to discuss questions such as methods of research and writing, funding, single or multiple authorship, biographical as distinguished from institutional developments, and treatment of related topics such as the role of political parties. It might be useful subsequently to hold two or more conferences, wherein preliminary chapters could be presented, as a means of preparing such a history.

INDEPENDENT PROJECTS

(12) *Committee Histories.*—The Study Group recommends that individual standing committees consider expanding their existing histories, or commissioning new ones by drawing on the resources of the Library of Congress or retaining the services of independent professional historials. The Senate Historical Office could assist with preparation of outlines and related preliminary activities to ensure that projects are carefully delineated and kept within reasonable bounds of cost and completion schedule.

Research into the activities of individual Senate committees has been sporadic and generally unsatisfactory. Special investigative committees serve as the focus of the best existing historical studies. Most notable among them are the Truman War Investigating Committee, the Kefauver Crime Committee, and the LaFollette Civil Liberties Committee. There is no competent general history of any Senate standing committee. Several committees have published "histories" that are confined largely to lists of former members with brief accounts of legislative activities.

The Study Group considered a proposal for special Senate funding to commission or otherwise encourage the production of distinguished studies. After due consideration, the study group decided against such a plan. High quality studies require major research effort over extended periods of time. Ideally, these activities are conducted by graduate students writing doctoral dissertations or mature scholars whose interest in related fields is already well developed. The Study Group believes the process of identifying and "rewarding" such individuals would be complex and beyond the Senate's proper role. There is no reason for confidence that studies begun in the optimism inspired by special subsidy would be completed on time, or at all. The expense involved, in these austere times, simply eliminates this proposal as a realistic option. The Study Group believes the Senate could effectively encourage private sector research through the medium of bicentennial conferences that offer the prospect of modest honoraria and publication.

(13) *Film: "The United States Senate Over Two Centuries".*—The Study Group recommends support of a privately funded and historically based film focusing on the Senate's institutional development over the past two hundred years. The film should be designed for viewing on public television and for use in schools and colleges, public discussion groups, and within the Senate itself.

The American Political Science Association is preparing a "telecourse" entitled "Congress: We the People" (see Appendix B). Funding for the telecourse is provided by a grant from the Corporation for Public Broadcasting and the Annenberg School of Communication. The telecourse will draw upon the considerable library of footage gathered by Washington public television station WETA for its public affairs program "The Lawmakers," and from its regular coverage of Congress over the last decade. One theme of the telecourse will be to distinguish between the Senate and House, drawing upon the resources of the WETA public affairs production staff and a group of congressional scholars. Working within this format, it should be feasible to develop a program covering the Senate as a national institution and as an institution representing the states, picturing the Senate as both an integrated organization and a collection of its individual members. The Study Group believes the Senate should serve as a source of ideas and documentation, but not of direction, funding, or editorial control.

(14) *Commemorative Stamps and Medals.*—The Study Group has initiated action through the Postmaster General to have the Citizen's Stamp Advisory Committee consider a Senate commemorative stamp when it begins planning for the 1989 stamp program. The Study Group encourages further consideration of an appropriate process for design and issuance of national commemorative medals in conjunction with the House of Representatives.

IMPLEMENTATION OF RECOMMENDATIONS

(1) The Study Group recommends that its final report be distributed for comment to all current and former members and officers of the Senate. It further recommends that the report and a digest of members' comments be published as a Senate report or document and inserted in the CONGRESSIONAL RECORD to ensure widest possible dissemination.

(2) The Secretary of the Senate, in his capacity as executive secretary of the Senate Commission on Art and Antiquities and as supervisor of the Senate Historical Office should be responsible for pursuing the Study Group's individual recommendations through appropriate Senate channels. In this respect, he should consult with the Senate Commission on Art and Antiquities, the Senate leadership, and the Senate Historical Office Advisory Committee.

(3) The Senate may wish to establish a special bicentennial commission that would begin in the year 1987, at the start of the 100th Congress, to coordinate specific activities of the bicentennial period 1987–1989.

Respectfully submitted,

Hugh Scott, Chairman, Howard H. Baker, Jr., Robert C. Byrd, Charles McC. Mathias, Jr., Claiborne Pell, John Warner, Wendell Ford, Slade Gorton, Milton Young, Wendell Anderson, William F. Hildenbrand, Daniel Boorstin, Robert M. Warner, Forrest C. Pogue, Harold M. Hyman, William E. Leuchtenburg.

APPENDIX A: PROJECTS REQUIRING SPECIAL FUNDING

RECOMMENDATION NO. 1: BIOGRAPHICAL DIRECTORY OF THE UNITED STATES SENATE, 1789–1989

Proposal

There is no single, up-to-date comprehensive biographical guide to the more than 1,750 individuals who have served in the Senate since 1789. Several publications currently serve this function, although their shortcomings are significant. The Study Group proposes a 600-page directory containing 200–500 word sketches for all senators serving in the first 100 Congresses.

Each entry would include, at a minimum, the following information:

Name, party, and state represented.

Birth date and place.

Parents' occupation.

Education and military experience.

Previous occupations and political experience.

Name of spouse and number of children.

Congressional service dates.

Party leadership positions.

Major legislation, notable accomplishments and controversies.

Committee chairmanships.

Subsequent career.

Place and date of death and burial.

Books and articles by or about.

Much of the work for the proposed publication has already been accomplished. The out-of-print "Biographical Directory of the American Congress, 1774-1971" contains sketches for approximately 1,500 senators. Its entries, corrected and revised, would be placed in the Senate Historical Office's computer data base, which already includes information on the location of former senators' manuscript collections and books by and about former members. Categories not included in the Biographical Directory, such as committee chairmanships, notable accomplishments, and family information, would be added. Recently the Joint Committee on Printing decided not to undertake its customary ten-year revision of the "Biographical Directory of the American Congress, 1774-1971" in view of cost considerations. Apparently this was due in part to the large number of entries for House members, nearly 10,000. Should the House decide, as part of its Bicentennial commemoration, to publish its own biographical directory, such a volume easily could serve as a companion to that proposed for the Senate's.

Existing Congressional Biographical Reference Books

The Biographical Directory of the American Congress, 1774-1971.—This 1,972-page volume contains 200-word profiles of approximately 10,800 senators and representatives. It has appeared in eleven editions since 1859. The most recent three were published in 1949, 1961, and 1971. As noted above, the 1981 edition will not be published due to projected expense. Staff of the Joint Committee on Printing have prepared new sketches and revisions for 2,000 members in the event the House and Senate decide to issue future directories.

This volume has a number of shortcomings. Its most serious is that it tells virtually nothing of members' careers while they were in Congress. Many of its entries bear marks of 19th century authorship, as in that for Senator Blanche K. Bruce who is described as being "of the Negro race." The entry for Senator Joseph R. McCarthy includes nothing of his controversial career and 1954 Senate censure.

The Dictionary of American Biography.—The first of the Dictionary's twenty-six volumes appeared in 1928 and the most recent in 1982. The set includes notable Americans who have been dead for at least fifteen years and contains profiles, ranging from 500 to 4,000 words, of approximately one-third of all former senators. The Study Group considered a project that would commission scholars to write fresh accounts of all former senators based on this model. This effort would include the one thousand senators not in the Dictionary as well as updated profiles, for many of those in the Dictionary were written in the 1930's. After careful consideration, the Study Group rejected this approach as too costly, and essentially duplicative of the Dictionary. By expanding entries in the "Biographical Directory of the American Congress" and adding information on existing book-length biographies to the proposed volume's citations, the Study Group believes a useful, cost-effective, and appropriate publication would result.

RECOMMENDATIONS NO. 2: GUIDE TO SENATE RECORDS AT THE NATIONAL ARCHIVES

The Senate maintains approximately twenty thousand linear feet of its noncurrent records at the National Archives. Dating from 1789, the collection includes both floor and committee papers. These materials are basic sources for the study and understanding of the Senate's history and role in the legislative process, and of the general history of the American people. They contain evidence of each committee's organization and functions, furnish a complete legislative history of individual bills and laws, and serve as a rich source of reference material for topics within a committee's jurisdiction. Committee and related records are a vital component of the Senate's "institutional memory."

In 1937, the Senate transferred its records from various Capitol basement and attic storerooms to the then newly-opened National Archives for preservation and public use. Upon completion of a project to arrange the Senate's collection, the National Archives issued a 250-page "preliminary inventory" describing briefly the collection's major components through 1946. At that time the Archives expected to prepare a more detailed inventory, but has never done so. As a result, there is currently no reliable and comprehensive guide to Senate records. Since publication of the 1946 inventory, the pre-World War II collection has expanded and parts of it have been rearranged, rendering portions of the earlier inventory obsolete. No guide exists for materials deposited over the past four decades.

The Study Group believes that preparation of a comprehensive guide to Senate records at the National Archives, along with the soon-to-be-published catalog of former senators' research collections, would be a fitting project with which to commemorate the Senate's 200th anniversary.

The National Archives has a computer system that will facilitate revising and expanding the existing guide. That agency estimates that the cost of such a revision and updating would be approximately $450,000.

RECOMMENDATION NO. 3: EXHIBITIONS AND CEREMONIAL EVENTS

In the past decade, the Commission on Art and Antiquities has sponsored fifteen exhibitions devoted to the rich heritage of the Senate. For the most part, these exhibits have been installed in the Crypt area of the Capitol Building. Their subjects have been as diverse and multi-faceted as the institution itself and have ranged from a display of original documents illustrating the Senate's relationship with the presidency under the advice and consent clause of the Constitution, to an exhibit featuring the numerous U.S. commemorative postal issues which have been based on paintings and sculpture in the Senate's collection.

The bicentennial of the Senate provides an opportunity to produce a series of commemorative exhibits which would be installed in the Capitol or Senate office buildings. The first exhibition would highlight notable events in the first century of the Senate's history through the display of a wide selection of original documents. These might include the following examples:

George Washington's 1789 message to the U.S. Senate, nominating the first cabinet members.

Farewell message to the Senate from Vice President Thomas Jefferson on his assumption of the presidency, February 28, 1801.

Letter from President Madison to the president of the Senate, September 17, 1814, on the subject of accommodations for Congress after the burning of Washington.

Annual message of President James Monroe, December 2, 1823, containing the Monroe Doctrine.

Tabulation of the vote of the Senate to elect a vice president, February 8, 1837, the only time such an election has occurred. Richard Johnson of Kentucky defeated Francis Granger of New York, 33 to 16.

Letter of Millard Fillmore to the Senate, July 10, 1850, addressed by way of Secretary of the Senate Asbury Dickins, giving formal notice that he would no longer "occupy the chair of the Senate" due to his accession to the presidency on the death of Zachary Taylor.

Message from Abraham Lincoln, February 28, 1863, transmitting copies of addresses to him of meetings of workers in Manchester and London, England, expressing appreciation for preliminary emancipation of slaves.

Papers relating to the impeachment of President Andrew Johnson, including original transcripts of testimony taken by the House managers, May-June 1868, exhibits used in the trial, ballots taken in the Senate, and a letter from Chief Justice Salmon P. Chase with observations on the proper mode of conducting the trial in the Senate.

Petition signed by Susan B. Anthony and Elizabeth Cady Stanton as officers of the National Woman Suffrage Association, Janaury 22, 1873, asking for legislation "to protect women citizens . . . in their right to vote."

Tabulation of the 1876 electoral vote as counted in the Senate on March 1, 1877, showing Rutherford B. Hayes as the winner by one vote.

Transcripts of hearings held by the Senate Committee on Civil Service and Retrenchment on S. 133, Forty-seventh Congress, the bill which became the Pendleton Act (1883) and established the Civil Service Commission.

Omnibus Statehood Bill (S. 185), Fiftieth Congress. The different copies of this bill reflect its changing versions before final passage on February 22, 1889, when it provided for the admission of North Dakota, South Dakota, Montana, and Washington. Earlier drafts would have admitted "Dakota" only, and organized a new territory to be known as "Lincoln" or would have admitted the state of South Dakota only.

In the second exhibit, we would turn from the legislative and political story, as reflected in the significant documents of the Senate's first century, to a different study of the institution, spanning the period of its formative years to the present. Here the works of America's graphic artists would dominate. Drawings, engravings, architectural renderings and photographs could all play a prominent role. While the legislative integrant would be included, so too would the exhibit feature the cultural, social, architectural and artistic lives of the Senate. Since 1975, the Commission on Art and Antiquities has acquired over 200 engravings of

the Senate which originally appeared in mid-to-late 19th century periodicals. The collection, as well as the extensive photographic resources of the Senate Historical Office, will be invaluable to the development of this exhibition.

With the selection in the late 1950s of Henry Clay, Daniel Webster, John C. Calhoun, Robert M. LaFollette, Sr., and Robert A. Taft as outstanding former senators and the subsequent commissioning of their portraits for the Senator's Reception Room, a special gallery was created near the Senate Chamber. Because it is one of the most popular rooms in the Capitol, it is proposed that a series of exhibits, which chronicle the periods in which these members served, be installed adjacent to the portraits in the Reception Room. The exhibit cases, although somewhat limited in size, would feature memorabilia related to the subjects as well as noteworthy documents and graphics.

Traveling Exhibitions

Consideration should be given to circulating throughout the country exhibits based on special displays which are scheduled for installation in the Capitol building during the bicentennial period. These traveling exhibits would be mounted on a series of panels designed to withstand the rigors of shipment over a five year travel schedule. Selections of the state institution hosting the exhibit would be made by the senators from each state. Design and production of the exhibits would be scaled to accommodate buildings with limited display areas. State offices of individual senators might be considered fitting locations, as well as local historical societies or museums.

Of the exhibitions planned for the Capitol between 1987-92, two subjects would seem to be particularly appropriate for travel. The first exhibit would be devoted to the story of the Senate as seen through the works of American graphic artists. Engraved views of the Senate, architectural renderings, and photographic studies would be featured. Among the resources from which material would be drawn is the collection of 19th century Senate engravings acquired under the direction of the Commission on Art and Antiquities, and the extensive photographic files of the Senate Historical Office.

A second subject worthy of consideration would trace the history of the Senate from the perspective of the political cartoonist. The marriage of the editorial cartoonist's artistic style and humor has made cartoons a popular—and sometimes painful—portrayal of the United States Senate. Not only would this exhibit serve as a history of the Senate and the principal issues it has faced, but it would also trace the development of technology that made the production of cartoons possible. Paralleling these changes is the shift in style and approach that occurred through several generations of American political cartoonists. While the Senate has a limited number of political cartoons in its collection, it is recommended that efforts be made over the next four years to increase its holdings in order to enhance the quality of this traveling exhibit.

As described, both traveling exhibit topics lend themselves to additional forms of interpretation. For example, a folio of reproductions of several 19th century engraved views of the Senate featured in the display, could be sold through the Government Printing Office during the exhibits' traveling schedule. Also of interest might be a publication on Senate political cartoons, discussing their significance in greater detail than the space on the exhibit panels could provide. The "Story of the Senate" exhibit, employing prints, photographs, and drawings, would also be an ideal subject for a poster. Revenue realized from the sale of these publications could be used to defray expenses associated with producing exhibits.

Recent interviews were held with staff members of the Smithsonian Institution Traveling Exhibition Service (SITES) in order to develop funding projections for this program. A moderate-size exhibit, consisting of between 15-20 panels, could involve expenditures totaling about $20,000. This would include design and production costs, covering silkscreening, photographs, mounting, typesetting, etc. It is intended that, wherever possible, Senate staff would be involved in the development and fabrication of these exhibits.

Ceremonial Events

The two most significant dates during the bicentennial period which should be considered for ceremonial observances are March 4, 1989 and April 6, 1989.

March 4, 1789 was the day appointed for the beginning of the government under the new Constitution. Although eleven state conventions had ratified the Constitution and would thus be represented in the Senate, only eight out of twenty-two senators took their seats on the first day. Of the fifty-nine representatives, only thirteen had arrived in New York's Federal Hall by that time. Nonetheless, March 4, 1789 is considered the first day of the first session of the first Congress. It would seem fitting that this date be commemorated jointly in ceremonies with the House of Representatives here in the Capitol.

It was not until April 6, 1789 that the Senate, after long delay, achieved a quorum and could be formally organized. (The House had reached a quorum on April 1, 1789). The Senate might wish to convene in the Old Senate Chamber, or in its present chamber, on April 6, 1989, to celebrate this signal anniversary.

RECOMMENDATION NO. 4: MICROFILM PUBLICATION OF KEY SENATE RECORDS

The National Archives recommends four specific projects for microfilming Senate records. The first would involve completing a longstanding plan to film the records of the precedent-setting first fourteen Congresses (1789-1817). The remaining projects were suggested because they involve records of great historical interest that complement existing filmed collections of Executive and Judicial Branch records. The Study Group recommends that the filming of the first fourteen Congresses' records be given a higher priority than the other three projects, but believes that all are worthy of Senate funding.

Records of the First Fourteen Congresses.—The records of the first three decades of the federal government have great precedential value and have been used extensively in research on constitutional, legislative, and administrative topics. Filming these records will facilitate their use in libraries across the nation and minimize wear and tear on the originals. Only a small portion of Senate records for the period have as yet been filmed. Estimated cost to complete this project would be $39,000.

Indian Relations—Executive Proceedings, 1st to 41st Congresses (1789-1871).—From 1789 to 1871, the Senate dealt with negotiated Indian treaties under the "advice and consent" provisions of the Constitution. The records generated by this process consist of Executive Branch correspondence and memoranda relating to negotiation of the treaties, as well as unique materials that reflect the Senate's deliberations. These files constitute an historically valuable record of the Senate's exercise of its responsibilities on Indian relations. Estimated cost to complete this project would be $13,000.

Foreign Relations—Executive Proceedings, 1st to 79th Congresses (1789-1947).—This is an important and heavily-used collection, which complements a more extensive set of State Department records. Filming would eliminate wear and chances of theft of irreplaceable documents. Estimated cost to complete this project would be $33,000.

Senate Impeachment Proceedings..—The Senate has sat as a court of impeachment on twelve occasions since 1798. The records created by the Senate in the exercise of this unique constitutional function occupy thirty trays and could be arranged, filmed, and described at a relatively modest cost as indicated below. Estimated cost to complete this project would be $10,000.

APPENDIX B: RECOMMENDATIONS OF "PROJECT '87" OF THE AMERICAN POLITICAL SCIENCE ASSOCIATION AND THE AMERICAN HISTORICAL ASSOCIATION

I. INTRODUCTION

Project '87, a joint endeavor of the APSA and the AHA, was inaugurated in 1978 to support scholarship, enhance teaching, and promote public examination of the Constitution on the occasion of its 200th anniversary. Project '87 enthusiastically welcomes the plan of the Senate to engage in scholarly projects and public programs as an observance of its bicentennial and the 200th anniversary of the adoption of the Constitution. It is Project '87's hope to be able to assist the Senate in its plans, and to collaborate in the development of commemorative programs.

II. SCHOLARSHIP

The Joint Committee which governs Project '87 conceived of its work in three stages, the first of which focuses on research. In the past years, as part of Stage I, Project '87 has awarded fifty-one research grants and fellowships and organized five conferences on constitutional topics. For each of the last four conferences, Project '87 oversaw the publication of a volume of collected pieces. In addition, several articles and books have appeared, authored by the scholars who received financial awards from Project '87's fellowship competitions.

In calling to public attention the singular character of our national institutions, the bicentennial offers an opportunity for the Senate to highlight its special role in the structure of the government, and the unique character of its resources for scholars. The biographical directory of the Senate, the creation of tools permitting greater access to Senate records in the National Archives, microfilming of heavily-used Senate records, guides to senators' papers, plans for conferences, all will assist scholars and encourage work which will explicate the history of the Senate for the academic community and ultimately for the public.

To the extent possible and desirable, Project '87 looks forward to cooperating with the Senate in fostering the use of such resources and in executing its programs. Possible vehicles for doing so included the following suggestions:

(A) Through its own activities in holding conferences and producing written materi-

als, and through the publications of its two founding organizations, the American Political Science Association and the American Historical Association, Project '87 has established a wide network of scholars who specialize in constitutional issues. Project '87 can use this network to distribute special announcements regarding the availability of the new scholarly resources the Senate plans to create.

(B) In addition, Project '87 could work with the Senate to organize a series of conferences with the goal of developing a one- or two-volume history of the Senate. The conferences could be organized in the following manner:

1. The Senate Historical Office and Project '87 would issue a call for proposals on Senate history and politics.

2. A committee comprised of representatives of the Senate Historical Office, its Advisory Board, and members of Project '87's Joint Committee of scholars would choose from among the best applicants and invite them to a preliminary meeting.

3. The preliminary meeting would include the applicants chosen through the competition and members of the committee that selected them. This body would then review the proposed papers and decide upon themes and organization of the volume/s/.

4. The body would also decide upon additional papers to be solicited from scholars who did not participate in the competition, in order to produce a superior, comprehensive, collection of essays.

5. At a time to be determined, a full-scale conference would be held in Washington, which Project '87 would convene, drawing upon its experience in holding conferences on constitutional subjects.

6. After revision, the scholars would return the papers for review by an editorial board composed of representatives of Project '87, the Senate Historical Office, and its Advisory Board.

7. The volume then would be published through the offices of the Senate and Project '87, in a manner acceptable to all parties.

(C) A fellowship competition, co-sponsored by Project '87 and the Senate, is another activity that would encourage research on the Senate. In the past four years, Project '87 has held four rounds of fellowship competition, and is now investigating funding for competitions based on topics more focused than the former competitions. Scholarship focusing on the Senate would be one such area.

Project '87 is prepared to run the competition, using its Joint Committee of scholars to referee the applications. Such a competition could be structured to permit scholars already engaged in research on the Senate to bring their manuscripts to completion, and/or explore specific topics proposed by scholars in order to fill gaps in the research.

Funding For Scholarly Activities

Project '87 has supported all of its scholarly activities through specific program grants from the Lilly Endowment, the National Endowment for the Humanities, the Mellon Foundation, the Rockefeller Foundation, and the Ford Foundation. If the Senate is interested in collaborating with Project '87 on any of the programs included in this proposal, funds would have to be acquired from either public or private sources. The Senate may wish to fund these programs directly through an allocation to a bicentennial commission or through the Senate Historical Office, or funds could be solicited from private sources. Project '87 would be willing to work with the Senate to come to a mutually agreeable arrangement.

III. EDUCATIONAL ACTIVITIES

Stage II of Project '87's program focuses on the production of educational materials for use by teachers at all grade levels and by educators in other institutions such as libraries and museums. Our present projects include the development of a sourcebook on the Constitution for secondary school teachers, which is now nearing completion, and a series of regional conferences for high-school educators, conducted by the American Historical Association. Project '87 hopes that the Senate bicentennial program would also provide for the publication of materials which will be useful to this clientele.

Project '87 urges the Senate to solicit the views of secondary school teachers, librarians and museum officials to plan the format and scope of such materials, and the design of exhibits. Not only will prior consultation with such officials help the Senate prepare suitable publications for this audience, and then increase its impact, but would alert the Senate to specific items these educators feel are lacking, and could tailor-make exhibits or pamphlets with this audience in mind. Project '87, which has had extensive contracts with secondary school teachers, curriculum supervisors and school administrators, can direct the Senate to key educators, with experience in developing instructional materials in this field, who are in positions which enable them to reach their colleagues through their professional associations.

IV. PUBLIC PROGRAMS—STAGE III OF PROJECT '87'S PROGRAM

(A) *Film/Video Presentations.*—Communication in American society is conducted very much through visual images and film/video media. Consequently, film or video programs are very appealing. Project '87 itself has spent three years gathering information about current and planned films and television programs on constitutional issues. On the basis of this experience and in view of the considerable cost and complexity of film production, we suggest that the Senate bicentennial planning committee give careful consideration to identifying the intended audience(s) for the film, including one or all of the following:

a. The Senate itself (as an orientation for freshmen senators and for staff).

b. The American public (as general information and entertainment).

c. Public/citizen discussion groups (as information for further reflection and study through, for example, the programs of the League of Women Voters or programs of local public libraries).

d. Instructional use—in high schools and colleges. Decisions about film production should be based upon the objectives and intended audience for the film. Once the decision is made about the audience the Senate wishes to reach with film, it would be in a position to consider alternative presentations which would fulfill its objectives.

If the planning committee has an educational objective in mind—either for the schools or for the Senate itself—we would like to suggest an approach to the creation of a film or video cassette program. WETA/26 and the APSA are preparing a telecourse entitled, "Congress: We the People." Funding for the telecourse is provided by a grant from the Corporation for Public Broadcasting/Annenberg School of Communication.

The telecourse will draw upon the considerable library of footage gathered by WETA for its public affairs program, "The Lawmakers," and from its continual coverage of Congress over the last decade. One theme of the telecourse will be to distinguish between the Senate and the House. The telecourse is being developed by the public affairs production staff of WETA in close cooperation with a group of congressional scholars including: Herbert B. Asher, Charles S. Bullock, Roger Davidson, I. M. Destler, Richard F. Fenno, Charles O. Jones, David R. Mayhew, Bruce I. Oppenheimer, Robert L. Peabody, Nelson Polsby, Randall S. Ripley, Barbara Sinclair, and James L. Sundquist.

It should be possible to draw upon the same production staff and a special group of scholars to develop a program about the Senate. Such a program could draw upon WETA's extensive archives and the scholarly research of the telecourse for current coverage of the Senate and then add footage and material on the history and evolution of the Senate, possibly using the speeches of Robert Byrd on the history of the Senate. Additional footage should cover the Senate both as a national institution and as an institution representing the states, and should picture the Senate as both an integrated organization and a collection of its individual members.

(B) *A Bicentennial Chronicle.*—As a major part of its public program, Project '87 plans to publish a quarterly magazine designed to serve as a chronicle of the American constitutional bicentennial. Supported by a planning grant from the National Endowment for the Humanities, the first issue of the magazine will represent a prototype for a quarterly journal which will contain three basic sections: substantive articles on constitutional issues, a center section of documents relating to the Constitution, and a resource section containing information for scholars and agencies planning bicentennial celebrations. This section will incude information on available grants, news about grant recipients and the projects they plan, lists of scholars able to act as consultants on bicentennial projects, bibliographies, descriptions of documents and manuscript collections, a calendar of bicentennial events, a chronology of historic dates relating to the bicentennial, successful bicentennial events from 1976 and, as the bicentennial era progresses, model programs about the Constitution.

Project '87 hopes to include extensive coverage in the magazine on the Senate's bicentennial activities ranging from listings to feature articles on Senate programs, and pieces on substantive issues of governance growing out of the Senate's scholarly activities.

Project '87 applauds the Senate bicentennial study group's plans for commemorating the forthcoming anniversaries by its proposals for substantive and enduring projects. Observed in this manner, the bicentennial of the founding of our government can indeed evoke a renewed sense of commitment to democratic and republican principles, and help to make the public aware of the meaning and vitality of the nation's history.

APPENDIX C: DIGEST OF COMMENTS RECEIVED FROM CURRENT AND FORMER MEMBERS AND OFFICERS OF THE SENATE

GENERAL SUGGESTIONS

Special illustrated publication on art and artists in the Capitol. Possible update of Charles E. Fairman, "Art and Artists of the Capitol of the United States of America" (Washington: Government Printing Office,

1927) Senate Document 95, 69th Congress, 1st Session.

Develop commemorative programs with other parliamentary bodies to emphasize Senate's deeper roots.

Include all living former senators in at least one of the commemorative events to give a heightened public perception of the Senate's institutional continuity.

SPECIFIC COMMENTS

Exhibitions and Ceremonial Events

I would definitely agree that the first act should be for the two houses to meet and join together in a joint session on March 4, 1989. However, instead of using the chamber of the House of Representatives, I would recommend that they assemble on the West Front of the Capitol in a celebration patterned after the 1981 inauguration. The House of Representatives cannot accommodate many guests whereas the West Front can. With the Marine Band and several vocalists the occasion would be more festive. I would suggest short speeches by the President of the United States, the Speaker of the House of Representatives, and the President Pro Tempore of the Senate. Television recommended.

On April 6th the Senate could then meet in its chamber with remarks first by the Vice President of the United States and then by the Majority and Minority Leaders. They in turn would be followed by the two former senators who had the most seniority and who had served elective terms of at least six years; one a woman and the other a man. As of today one would be Margaret Chase Smith of Maine and the other Lister Hill of Alabama. Television recommended.

My last suggestion would be that all of the historical material referred to be put on exhibition for the full year of 1989 at the Smithsonian Institution. From what I have observed over the years that location seems to be logical from visitor attendance, knowledge of presentation, security, and exhibition space.

Minutes of Democratic and Republican Party Caucuses

It would seem reasonable to permit those minutes predating the Senate service of the oldest living senator, or ex-senator to be studied by recognized scholars and historians under specific conditions. Each request could be evaluated on its merits and careful criteria established to prevent access by the curious, non-serious students, or the media. The Historian of the Senate may be tasked with screening requests and making appropriate recommendations. It is almost certain that party minutes will be made available to historians at some point and the Bicentenary could well provide an appropriate and meaningful vehicle.

I believe the number of years in which they should be kept confidential should be minimized. I would not give an estimate of the number of years but believe the principle of minimization to be important. We believe in the Senate of letting the people know as much as humanly possible and realistically practical about our work.

Guide To Research Collections of Former United States Senators, 1789-1982

I believe this is very long overdue and very desirable. These collections are critically important to scholars and students and for the history of our country. I believe they should be encouraged in every way by having them known about generally which this Guide will accomplish. I also believe the inclusion in the Guide of books written by members about their own careers and written about members is an extremely important bibliography.

ORDER OF PROCEDURE

Mr. BAKER. Mr. President, after the time for the two leaders under the standing order has been yielded back or expired, there will be a period for the transaction of routine morning business in which Senators may speak for not more than 2 minutes each to expire at 10:30 a.m., and at that time the Senate will resume consideration of Senate Concurrent Resolution 27, at which time the Domenici-Baker amendment in the nature of a substitute, No. 1243, will be the pending question.

Mr. President, the distinguished Senator from Maine (Mr. COHEN) has indicated to me that he has a need for time this morning beyond the 2 minutes allocated in morning business.

Since I do not have 10 minutes which he needs but I probably do have 8 minutes, I am about to yield the remainder of my time to the distinguished Senator from Maine, but first I ask unanimous consent that it may be aggregated together with the 2 minutes available to him on morning business so he may deliver an address of 10 minutes in length.

The PRESIDING OFFICER (Mr. HECHT). Without objection, it is so ordered.

Mr. BAKER. Mr. President, I yield the floor.

RECOGNITION OF THE ACTING MINORITY LEADER

The PRESIDING OFFICER. The acting Democratic leader is recognized.

Mr. DIXON. Mr. President, I yield 5 minutes to my distinguished friend from Washington.

The PRESIDING OFFICER. The Senator from Washington is recognized.

TOWARD A LONG-TERM POLICY FOR CENTRAL AMERICA

Mr. JACKSON. Mr. President, as Congress and the rest of the country wrestle over U.S. policy in Central America, at least one issue has been settled: The region is of immense strategic importance to the United States. Whatever policy options might be available to us, ignoring threats to the stability of Central America and refusing to engage ourselves in the problems of the region are not among them.

The commonly cited figures bear a quick mention.

Almost half of our shipping tonnage and imported oil passes through the Caribbean shipping lanes. Sixty-five percent of our supply requirements during a general European military mobilization would be shipped from gulf ports through the Florida Straits.

Controlled immigration through our southern frontier can only become possible with stability in Central America. When one-of-eight persons born in the Caribbean and alive today resides on the mainland United States, our southern and southwestern States are rightly concerned about preventing a flood of the impoverished and the discontented into this country.

A sequence of crises leading to Castro-type regimes throughout Central America, including Mexico, would have disastrous strategic ramifications which we all recognize. None of us relishes the prospect of living in a garrison state, unable to meet our commitments to our NATO allies and others, nor do we like to contemplate the threat such a course of events poses to the fundamental nature of American society and her democratic institutions.

Even with the high stakes involved, it is not unexpected that some American citizens and some American politicians harbor wistful thoughts that somehow the United States might not have to engage itself in Central America. The problems in the region are enormous; the policies to address them involve difficult choices; and most important, the problems are not going to go away. There are no quick fixes. Piecemeal proposals and frantic, ad hoc programs are inadequate. The United States faces a profound, long-term challenge in Central America and must devise a set of long-term policies to match it.

The nations of Central America share many differences: Different histories, different geographies, different ethnic compositions, different patterns of landholding, and different degrees of democratization. But if we look at the entire Central American isthmus, two facts present themselves. The economic and social crises confronting all of the nations are real and Mexico with 79 percent of the total land mass and 76 percent of the population is a key to maintaining stability in the region.

In good times life was hard, but after almost 3 years of recession, all Central American nations are hurting and hurting bad. Commodity prices are still too low, interest rates still too high, and servicing foreign debts casts a long shadow over hopes for economic recovery, much less hopes for economic development.

In Mexico, Mr. President, the economic crisis is particularly acute.

At the end of 1977, things looked bright: The growth rate was 8 percent, new oil was coming into production and being sold at high prices, employment prospects were improving, and foreign loans fueled a vigorous program of industrial development. But that was 5 years ago, before the addition of another 12 million mouths to

feed, before a persistent worldwide recession, and before the collapse of oil prices.

Now Mexico faces almost $90 billion in combined private and public foreign debt, and is attempting to implement an IMF economic adjustment program. Her unemployment hovers near 50 percent, and the agricultural sector is in decline forcing more and more rural people into the cities where the middle class is becoming increasingly disenchanted.

The economic problems are not just cyclical, but structural. Many of the large industrial projects which were to be financed by the oil money turned sour, unable to be completed because of chronic mismanagement and corruption. And in spite of Mexico's historical commitment to land reform, fully one-third of the agricultural population remains landless with tremendous inefficiencies in the land under cultivation. With some 40 percent of the labor force devoted to agriculture, that sector produced only 8.5 percent of the gross domestic product in 1980.

Fortunately, Mexico, along with Costa Rica, enjoys political stability under a regime that is more or less democratic. But the institution responsible for Mexican stability since the revolution—the PRI, the Institutionalized Revolutionary Party—has never confronted such a challenging set of circumstances as it does today or is likely to in the near future.

The other nations of Central America face similar economic problems, but suffer under authoritarian regimes of varying degrees of repressiveness. The economic and social injustices abound. In Guatemala, 3 percent of the population owns 70 percent of the land, and until the recent land reform, the pattern of landholding in El Salvador was the same. Adult literacy in Guatemala is under 50 percent, and a Guatemalan Army campaign against a handful of subversives has terrorized the Mayan Indians forcing over 30,000 of them to cross the border into Mexico.

Given the poverty and the unremitting patterns of social injustice in the region, Marxist revolutionary promises of a better future understandably prove attractive to many of the peoples of Central America. But the promises are false. The history of Cuba and the evolution of the Sandinista regime in Nicaragua, not to mention the horrors which have transpired in Indochina since 1975, demonstrate clearly that Marxist-Leninist regimes will not offer the people of these countries a democratic future or expanded economic opportunities. Quite the opposite. Cuba exports her human problems to the United States and requires $4 billion annually in subsidies from the Soviet Union. And in Nicaragua the standard course of Marxist totalitarian control and repression proceeds apace.

How are we then to approach the security needs of the United States in Central America?

One thing should be very clear, Mr. President: Military approaches alone are inadequate to deal with the economic crises and social injustices of the region.

Some security assistance will, obviously, be required in the face of armed Communist insurgencies, but our security aid should be understood in one way: It is a shield behind which endangered nations can protect themselves from external threats as they work to rectify injustices, build democratic institutions, and hold free and fair elections. Our security assistance ought not to be the main focus of national debate, for it ought not to be the main focus of national debate, for it ought not to be the foundation of our policy toward Central America. The shield protecting Central Americans from Communist insurgency and domination will crumble unless we address the serious social and economic dislocations and injustices in the region.

A second thing should also be clear: America's best minds need to address the problem of security and economic development of the Central American isthmus. Mr. President, we must realize that our policies can no longer follow the patterns which have arisen from the United States traditional neglect of Latin America—sporadic attention when we see our immediate security interests at stake by coup or revolution, and then abandonment and unconcern. Central America needs to be the focus of a large, long-term, steady effort by the United States, and should have a top spot on America's national security agenda.

What sort of effort are we talking about? I can best describe it as one of Marshall plan proportions. The long-term security of our southern frontier is as vital to U.S. interests as the long-term security of Western Europe, and it deserves the same level of American energy and commitment.

Mr. President, I recommend that serious consideration be given to convening a national bipartisan commission for Central America. Composed of respected leaders of government, business, labor, education, and the Hispanic and religious communities in this country, the commission's charge would be to chart a course of hope for the peoples of Central America.

Such a commission is not without precedent. The Marshall committee, headed by Henry Stimson, and drawn from the leadership of all sectors of American society, was more responsible than any other factor for forging consensus in the country to get the Marshall Plan for European Recovery through Congress and underway.

I believe it is high time for the President to bring in the major sectors of American society, particularly labor, to play key roles in the formulation and implementation of our Central American foreign policy.

The proposed commission would function as the instrument to help build the necessary consensus on a long-term, comprehensive policy for this region.

The commission could communicate to Americans from all regions and all walks of life that their lives are inextricably linked to events in that region—be it the price of coffee, the future of the American labor force, and ultimately the security of their nation.

The commission would consult with governmental and other leaders of Central America, invite their views and receive their recommendations on the policies which would best assist them in their long-range security needs and economic development.

The commission could also serve an important oversight role for the nongovernmental international actors that should be a part of an effective U.S. policy for Central America. Labor unions, political parties, churches, and voluntary organizations can often do more to help build democratic institutions than the public diplomacy gestures of governments.

Mr. President, I am convinced that unless the United States works with Mexico and other Central American nations in addressing their chronic economic and political crises, none of the nations of North and Central America can face the future with calm confidence, secure in the inviolability of their borders, and assured of maintaining peace with one another.

The commission's task will not be easy, and its recommendations will likely require sacrifice from the American people. But over time its work could prove, as the Marshall plan has proven, to be one of the wisest investments our Nation ever made.

Mr. President, I yield the floor.

Mr. DIXON. Mr. President, I yield back the remainder of my time.

ROUTINE MORNING BUSINESS

The PRESIDING OFFICER. Under the previous order, there will now be a period for the transaction of routine morning business for not to extend beyond the hour of 10:30 a.m. with statements therein limited to 2 minutes each.

The Senator from Maine.

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. COHEN. Yes.

Mr. BAKER. Mr. President, under the order previously entered I believe the Senator now has 2 minutes plus

the remainder of my time under the standing order; is that correct?

The PRESIDING OFFICER. That is correct.

Mr. BAKER. What is the total time?

The PRESIDING OFFICER. Ten minutes and thirteen seconds.

Mr. BAKER. I thank the Chair.

The PRESIDING OFFICER. The Senator from Maine.

UNITED STATES-ISRAELI RELATIONS—A NEED FOR UNDERSTANDING

Mr. COHEN. Mr. President, United States-Israeli relations, long viewed as special, have reached one of their lowest points since the creation of the State of Israel in 1948. Over the past few years, the relationship of our country and Israel has been marked by mutual mistrust, differing perceptions of basic strategic goals, and a breakdown of effective communication on matters of common interest.

The deterioration which has taken place is especially troubling, since Israel remains our closest ally in the Middle East. Israel is a geostrategic linchpin for any U.S. defense planner. She has the potential to contribute in three theaters: the Persian Gulf, the eastern Mediterranean, and NATO's southern flank. Further, Israel's democratic institutions and the inherent stability of her government insure that she will be a reliable ally over the long term.

For these and other reasons, we cannot allow what has been a family squabble to grow into a serious fissure between our two nations. The strains in United States-Israel relations today have dimensions unique in the history of our alliance, and the importance of easing those strains is also unparalleled. It is essential that we work with the Israelis, rather than at cross purposes, in pursuit of our mutual interests in the region.

When I was in Israel earlier this year, I found a dual focus. One was on the report of the Commission of Inquiry, which on the day the delegation I headed met with Prime Minister Begin recommended that Defense Minister Sharon and several military leaders be relieved of their positions.

That report, which, of course, produced considerable pain and anguish for the government of Prime Minister Begin demonstrated the finest aspect of the democratic system which we and the Israelis share. Few other world governments would have had the courage, in my opinion, to establish that kind of inquiry board and to followthrough on its recommendations to the extent the Israelis did.

But the other major focus dealt with what the Israelis perceived, and I believe correctly, as a difficult attitude on the part of the United States toward their country. The incident involving a U.S. Marine captain and an Israeli tank was being used by some in our country to serve as a representation of the level of tensions between the United States and Israel. This, Israeli officials repeatedly told me, was unfair and extremely troubling to them.

In the months which have followed my visit to Israel, I have seen little which would indicate any improvement in the situation. Our Government resisted working with the Israelis on a memorandum of agreement to share information gained by their forces during the Lebanon incursion. It has held up the sale of F-16's to Israel, something about which many of us in this body have expressed strong concern. And the resolution of the Lavi fighter plane issue had also served to complicate, rather than smooth, the situation.

The handling of the Memorandum of Agreement controversy serves almost as a model of how two nations should not deal with each other if they wish to maintain their close alliance. The Israelis wanted to share with us the benefit of the information, as they had following the 1967 and 1973 wars, but they found themselves repeatedly rebuffed.

At virtually every hearing I have attended this year, I have been told, by defense and intelligence people alike, that this information could be extremely valuable to us. Commanders from every service emphasized just how much they would like to have the benefit of what the Israelis had learned.

Yet administration officials said that signing an MOA was unnecessary between allies. Then it was said that such an MOA would be unprecedented. Finally, it was argued that the MOA as proposed by Israel placed onerous burdens on the United States and that we would have to pay too high a price for information that we really did not need anyway.

Of course, we discovered that an MOA was not unprecedented. In fact, memorandums of agreement had been signed between our two countries on two prior occasions. More importantly, the proposed MOA was not substantially different in its provisions to the 1967 and 1973 agreements.

Ultimately, the Israelis, in their desire to reach an accommodation with us, simply capitulated and supplied our Nation with the information in the absence of an agreement. Moshe Arens, who left his post as Israel's Ambassador to the United States to replace Ariel Sharon as his country's Defense Minister, told me personally of his frustration with the attitude of our Government on this issue and of his personal commitment to looking for a resolution to this problem.

That commitment on the part of this brave and dedicated man was, in my view, the key factor in Israel's decision. It reflected the desire he expressed to me that we remove the roadblocks to cooperation between the United States and Israel. But no sooner had this issue been resolved than the United States placed a hold on the sale of F-16's to Israel. It almost seemed that our Government was bent on keeping the level of tensions with Israel higher than they ought to be.

One recent development—Secretary of State Shultz' mission to reach an accord for the withdrawal of Israel and Syrian troops from Lebanon—lends encouragement that we are looking for ways in which we can work together in pursuit of our common interests and goals. The Israelis have consistently said that they wanted to withdraw their forces, but that they wanted assurances that their national security interests would be preserved in the process.

The Lebanon peace agreement could, as the Washington Post suggested in a May 8 editorial, be the administration's "biggest diplomatic success." That a basic agreement between Israel and Lebanon was reached is, I believe, a tribute to President Reagan and Secretary Shultz and their willingness to devote so much energy and attention to reaching an accord. Rather than taking an antagonistic or overly demanding approach, Secretary Schultz concentrated on the key considerations and concerns and went about the task of seeking solutions.

This approach, unfortunately, has not always been taken in our Middle East policy. What we all too often have, it seems to me, is a tendency to emphasize our differences with the Israelis rather than trying to correct those differences and building on our long and fruitful alliance. The problem will only be exacerbated if some negative attitudes are not changed soon. We are allies and friends. Our goals are common ones. What differences we have are not, and should not be, insurmountable.

In adopting a confrontational posture with the State of Israel, we may be sacrificing the strategic interests of our country. For if allies do not talk with each other—and if the conversations they do have are adversarial and not truly communicative—problems are certain to occur and to grow greater.

Discouraging effective communication with a strategic ally at whatever level is not a tenable policy, in my view. We have to start talking, both at the diplomatic level between the highest officials of our countries and at the military level with our troops on the ground.

The energies which are going into straining United States-Israeli relations must be redirected toward strengthening our traditional alliance. If they are not, there are dangerous implications for the cause of peace in the Middle East and for the relations we have with all our allies throughout the world. We must demonstrate that we work to resolve disagreements and to strengthen bonds, rather than acting in ways which only raise questions about our reliability as allies.

To understand the dimensions of the problem, we must look at the elements which are involved. Both sides bear responsibility, and both have an obligation to work for improvement and change. This change is needed to correct the following:

The fundamental lack of trust among the top political leadership of both the United States and Israel. Both Washington and Jerusalem have begun, the first time, to question the good intentions of the other.

The absence of an overall coordinated strategy, which marked relations for years. The United States must bear some responsibility for this, since it has not been as clear and precise as it needs to be in indicating to Israel the areas of agreement and disagreement between the two countries.

A pattern of independent actions by the Begin government which have been seen by the United States as unduly provocative and insufficiently sensitive to U.S. interests in the area.

The natural divergence of some long-term interests and goals of the United States and Israel. This is particularly evident in U.S. attempts to improve security ties to moderate Arab states through the provision of sophisticated weapons, which Israel views as a threat to her security.

The danger signs of a major confrontation, then, are apparent in United States-Israeli relations. The conflicting objectives make it incumbent on both countries to be scrupulous about maintaining ties and to strive harder to understand each other. It is in the mutual interest of both Israel and the United States to make a major effort to assure that a pattern of understanding and cooperation is reestablished.

It is within this context—the need for better understanding between the people, and the leaders, or our two countries—that I would like to share with my colleagues a letter which I received recently from a friend in Israel. The letter provides some critical insights into Israeli thinking and offers some recommendations for improved relations between our Nation and Israel.

My friend, Dan Bavly, noted that Israel is the only country in the world which is expected by almost all the international community to pay a price for recognition by its neighbors. The atmosphere of automatic and unconditional ostracism on the international scene, he said, cannot but stiffen the policies of any Israeli Government.

"When it comes to our relations with the Western democracies, even our friends with a very good general picture of the Israeli scene do not realize just how suspicious and bitter our disappointments have made us," he told me. "Israel no longer dares expect a fair deal from the international community."

I will ask to place the full text of the letter in the RECORD at the conclusion of this statement, but I would like to highlight five specific recommendations which my friend suggested might engender a more positive approach to questions regarding Israel and the Middle East:

First. Agreements are not technical documents, certainly not in the Middle East. Creating attitudes of trust is far more important and fertile than any stark, readymade mechanical solution. And it is with help toward this general climate of mutual confidence that friends, from both Europe and North America, can contribute.

Second. Do not rush to arm the Arab states. Rather than as a deterrent, the weapons are purchased to be used. The chief aim of the massive Arab military buildup is against Israel and will inevitably lead to more bloodshed.

Third. Accept Arab demands only if you feel bound to do so out of conviction, not out of fear.

Fourth. Help Israel not to become an outcast. Rather than ostracizing the country or allowing it to be banished, make it feel at home in the international community.

Fifth. Please stop moralizing. Apply the same standards you would if you had similar obstacles to those Israel faces. You might discover that Israel shows up rather well after such an exercise.

There is, I believe, much wisdom in my friend's recommendations. Applying the five principles he outlines could do much to improve understanding and to lead toward a better working relationship between our two nations.

If our interests, and the interests of peace, are to be effectively served in the Middle East, we need better communication, openness, and cooperation with our most important ally in the region. This will only be achieved if we give full recognition to the kinds of issues which Dan Bavly raised in his letter to me.

It is well and good for us to increase our level of assistance to Israel, as we did last year and are in the process of doing again this year. But that is not enough.

We need a strong commitment at the highest levels to work with the Israelis on behalf of our common interests. In his meeting with me before returning to Israel to take over the post of defense minister, Moshe Arens pledged to do all he could to reduce tensions and improve communications. Israel's decision to share its Lebanon experience information soon after his return to Jerusalem is a reflection of his personal commitment.

As one Member of the Senate, I will do all I can to see that Minister Arens' efforts are reciprocated. That is a message I passed on to him in the meeting we held. Earlier, in my February visit in my role as head of the liaison between the Senate Armed Services Committee and its counterpart committee in the Israeli Knesset, I attempted to convey a similar message.

But this commitment must extend beyond any group of Senators, any committee, or any group of individuals either in Congress or the administration. It must be a reflection of national will and of national policy.

If we take heed of my friend's letter—and of the five specific points he raised—we can go a long way toward achieving this essential goal. I commend the letter to the attention of my colleagues.

Mr. President, I ask unanimous consent that the letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

APRIL 29, 1983.

DEAR BILL: In this mixed-up world, in which almost everyone knows what is wrong with Israel, our friends in the West often tell us how difficult it has become to defend the country nowadays; they find it hard to identify with it in general and with the positions of our Government in particular. On the subject, herewith are some comments you may find of interest:

To many foreigners, even the splendid performance of the judicial tribunal investigating the extent of Israel's involvement in the Sabra and Shatilla massacres was dimmed by what they saw as the failure of the Government to respond to the verdict as fully as they would have wanted. But the fact is that we did maintain our high standards and Begin was politically correct in removing Sharon from the Defense Ministry rather than fire him from the Cabinet. Out of government, Sharon could attract and organize the radical nationalist opposition into a group far more threatening than Rabbi Kahane's lunatic fringe; the danger of violence between Jew and Jew would substantially increase. Sharon cannot be put away in jail—having him in government without portfolio, stripped of the power he previously wielded, is the safest way. The great majority of Israelis, including the Opposition, are satisfied with the Government's response.

Israel is the only country which is expected by almost all the international community to pay a price for recognition by its neighbors. For a reversible exchange of ambassadors with Egypt, Israel last year irreversibly returned the whole of the Sinai peninsula; no one said thank you, but insisted that the Israelis continue to pay for recognition all round, with the minimum cost being

the complete return to the pre-1967 armistice lines. Such an atmosphere of automatic and unconditional ostracism on the international scene cannot but stiffen the policies of any Israeli government. There is no other country or similar body in the world that shares this experience.

When it comes to our relations with the Western democracies, even our friends with a very good general picture of the Israeli scene do not realize just how suspicious and bitter our disappointments have made us. Israel no longer dares expect a fair deal from the international community. The problems of the Middle East are not only endlessly aired over the media but in national and international political assemblies as well. Thus, the Security Council is busy with Israel, in one way or another, in about a third to one half of its sessions, the BBC spends twice as much time on the Middle East as on European security and the General Assembly of the United Nations spends a good part of its sessions on condemnations of Israel, with the moral rectitude of the international community represented by a range of countries from Uganda, Libya and Grenada (very often), to the nations of Western Europe, by way of the Communist bloc.

When European countries make proposals for Mideastern settlements which by-pass the Camp David accords and tend to outdo the United States in meeting Arab demands, Israelis believe that principles are being sacrificed to political or economic expediency and feel correspondingly disillusioned. To them, it is clear that the European Economic Community is in no position to assume any responsibility for whatever allowance it has made in its proposals for the safety of Israel. Europe has defence problems of its own, with which it is hard put to cope. Western eagerness to please the Arabs only enhances Arab intransigence and encumbers any progress towards accommodation. That, at least, is how it looks to Israeli eyes.

An Israeli friend offered the following recommendations, which might engender a more positive approach to these and other questions of the moment:

1. Agreements are not technical documents, certainly not in the Middle East. Creating attitudes of trust is far more important and fertile than any stark, ready-made, mechanical solution. And it is with help towards this general climate of mutual confidence that friends, from both Europe and North America, can contribute.

2. Do not rush to arm the Arab states. Rather than as a deterrent, the weapons are purchased to be used. The chief aim of the massive Arab military build-up is against Israel and will inevitably lead to more bloodshed.

3. Accept Arab demands only if you feel bound to do so out of conviction, not out of fear.

4. Help Israel not to become an outcast. Rather than ostracising the country or allowing it to be banished, make it feel at home in the international community.

5. Please stop moralizing. Apply the same standards you would if you had similar obstacles to those Israel faces. You might discover that Israel shows up rather well after such an exercise.

Towards these ends do not hesitiate to write or speak.

With best wishes,

Yours sincerely,

DAN BAVLY.

Mr. PROXMIRE addressed the Chair.

The PRESIDING OFFICER. The Senator from Wisconsin.

A RESOLUTION WITHOUT RESOLVE

Mr. PROXMIRE. Mr. President, later today we will settle our position on the budget resolution. I am going to vote against the Domenici-Baker substitute amendment for the budget resolution. Despite the long hours of debate and despite all of the commendable efforts of those involved, we are voting on an irresponsible, misguided compromise resolution that obviously reflects a lack of will to do what we must do, which is to cut spending and raise taxes.

Let us be clear about it. This resolution endorses deficits of about $200 billion a year as far into the future as we can reasonably see. We will be incurring these deficits during a period of economic recovery.

What does that mean? It means that millions of consumers will not be buying new houses, cars, and consumer durables. It means that many businesses will be trying to find credit to finance an expansion. And they will not find it. These private borrowers will run head-on into the Federal Government, which will be financing those staggering deficits. That collision will either damage the recovery, by raising interest rates, directly, or set off another bout of inflation, which also would skyrocket interest rates.

Mr. President, we find ourselves in this situation because a number of Senators evidently believe that deficits are less damaging than either increasing revenues or decreasing spending. That belief, over the past two decades, is what got us into the mess we now face. The Senate should have learned by now that these deficits will have to be paid for—one way or another.

Economists seldom reach a consensus on anything but nearly every economist agrees that deficits approaching $200 billion during the middle of a recovery are poison. Nearly every Senator agrees that deficits should be reduced. Yet when the resolution reaches the Senate floor, we move in exactly the opposite direction.

We scale back needed revenue increases, ostensibly because raising taxes now would harm the recovery. Little is said, however, about higher interest rates, caused by higher deficits, and how that will torpedo the recovery.

We add money to spending to appease the White House and powerful special interest group while, in the next breath, excoriating large deficits.

Mr. President, the Senate has made a choice, and a wrong one, I believe. We could have asked the American people directly to pay for these deficits. That would have meant more taxes and less spending.

The economy will have to absorb deficits which are unprecedented in peacetime. In 1968, at the height of the Vietnam war, the deficit reached 2.9 percent of GNP. Many people believe that deficit sparked the inflation which bedeviled the economy during the last decade. During the recession of 1974-75, the deficit reached 3.9 percent of GNP. During the late seventies, inflation once again exploded and the prime rate went over 20 percent.

We may now be slowly recovering from another recession. But the deficit this year will be 6.5 percent of GNP. This is a far higher percent of GNP than the deficit recorded in 1933, the worst year of the Great Depression when unemployment climbed to 25 percent. In percentage terms, this deficit is two-thirds higher than the one incurred in 1976 during the last major recession.

Mr. President, because deficits of this size are unprecedented, it is difficult to predict what their influence will be. Are credit-sensitive industries to be put through the wringer once again? Will the Federal Reserve, under political pressure, buy the Treasury debt, pump large amounts of money into the economy and ignite another round of inflation? Or will the recovery slow and sputter under the weight of these deficits?

We will be able to go home tomorrow and reassure the defense contractor that the money will continue to flow, make points with the teachers because of more money for education, and comfort the taxpayers by promising another tax cut in July. But 2 or 3 years from now, after the next election, how many of us will be willing to accept the blame when industry cannot find money to invest in new plant and equipment. How many will step forward to accept the blame when inflation begins its insidious growth. How many will explain to the frustrated couple looking for a new home: "Those large deficits I voted for 2 years ago are the root cause of your being unable to buy that new house."

How many? We all know the answer to that question—none.

Mr. President, we seem to have fallen rather casually into the habit of breaking new records. Unemployment hit a postwar high and we continue with business as usual. We run up more of a deficit in 6 months than we have incurred in any preceding year—any preceding year, Mr. President. That fact merits only a passing glance. Federal spending, as a percentage of GNP, reaches a peacetime high. Another ho-hum.

Business as usual will no longer serve, Mr. President. We need to stiffen our resolve and squarely face the Nation's economic problems. But with this resolution we continue to evade,

to procrastinate, and to hide. The Nation deserves better of us.

NUCLEAR ARMS CONTROL DOES NOT REQUIRE TRUSTING THE RUSSIANS

Mr. PROXMIRE. Mr. President, perhaps the most troublesome obstacle in the way of nuclear arms control is the widespread conviction in this country and in this Senate that we cannot trust the Russians. Many Americans are convinced they will cheat. So the question: "How can you make a contract or an agreement with a nation that will flaunt the agreement, that will not keep it?" But, Mr. President, as "Living With Nuclear Weapons," the Harvard study group's recent book points out, this is a half truth about arms control. The fact is that we do not have to trust the Russians.

What we have to do is to be able to verify that the Soviets are or are not keeping their promises. On Monday the Senate Defense Appropriations Subcommittee took several hours of testimony on arms control as a military strategy. At that hearing, I asked William Colby, the former head of the Central Intelligence Agency, whether we could verify a comprehensive nuclear freeze agreement with the Soviet agency. Few people in this country can speak with the authority of Mr. Colby on the capability of our intelligence system and the extent to which we can or cannot verify an arms agreement with the Soviets. For years his job was exactly this: to determine what the U.S.S.R. and especially its military forces were doing. He said that any cheating on a comprehensive nuclear freeze would have to be so substantial in order to give the Russians any kind of significant advantage that we would be able to tell.

I asked Colby this hypothetical question. "Suppose the Soviets were to construct a massive underground factory and turn out hundreds or thousands of cruise missiles and conceal these missiles deep underground. The cruise missile carries a tremendous nuclear wallop. But it is small."

Colby said that such a production effort would be detected by our intelligence even if it were far underground, because of the many activities and supplies necessary to feed such an operation and to carry off the necessary wastes. He said that we would not need onsite inspection to verify such an agreement.

Furthermore, as the Harvard study indicates, modern arms control agreements between superpowers usually include specific provisions to enhance verification of compliance. The study gives these examples:

1. The Antarctic Treaty (1959) guarantees that designated observers will have access to all areas of the Antarctic.

2. The non-proliferation treaty (1968) provides for international safeguards including on-site inspections to deter diversion of nuclear materials from civilian to military use.

3. The SALT I (1972) agreements prohibit deliberate concealment measures and other forms of interference with national technical means of verification including photographic satellites.

And the Harvard study also points out that:

Soviet secrecy would be an even greater problem for U.S. defense planners without the bonus of information that comes with verifiable arms control agreements.

REMEMBERING THE VICTIMS OF THE HOLOCAUST

Mr. PROXMIRE. Mr. President, for many years I have urged this body to ratify the Genocide Convention. I live in constant wonder why over the past 34 years the Senate has failed to act on this important treaty.

I am only left to think that despite atrocities of Nazi Germany, Cambodia, Surinam, East Timor, Iran, Armenia, and other countries that I and other Senators have detailed on the floor of the Sente, genocide remains too far removed, too elusive a concept for the Senate to grasp and deal with. Perhaps it is because of the magnitude of the horror that we fail to realize its tremendous consequences. Perhaps we can gain some perspective if we view the Holocaust as 6 million individual examples of brutal and premeditated murder.

A book, previously published in Europe and now available in this country, may help my colleagues to overcome the elusiveness that this difficult topic seems to carry.

The book, "Memorial to the Jews Deported from France—1942-1944," documents the personal histories of 80,000 Jews who were sent from France to Nazi death camps.

The book was compiled by Serge and Beate Klarsfeld, two noted Nazi hunters. At a press conference marking the American publication of this extraordinary volume, Serge Klarsfeld noted that 78 convoys traveled from France to the Auschwitz concentration camp between 1940 and 1944, carrying a human cargo that included Jews from 67 countries, many of these children separated from their parents.

In a small, yet important way, each time one of us reviews these photographs and life histories, we remember and reaffirm that each one of these victims lived.

I urge my colleagues to look at this book, and I do so in the hope that the personal histories of those killed may make the horrible act of genocide a little less elusive, a little more real, so that the Senate can get on with its duty and ratify the Genocide Convention.

SOVIET SPYING ACTIVITY

Mr. THURMOND. Mr. President, I have become increasingly concerned over the recent global upsurge of Soviet spying activity.

In the first 4 months of 1983 alone, 10 Western nations have expelled approximately 70 Soviet diplomats, journalists, and other officials on charges of espionage.

Sweden has recalled its Ambassador to the Soviet Union and protested through diplomatic channels Moscow's violations of Swedish territorial integrity in two recent cases of suspected Russian naval maneuvering.

This past April, France expelled 47 Soviet officials on charges of espionage, the largest Soviet group expelled since England deported 105 Russian citizens in 1971.

The United States, in addition to expelling three Soviet officials in April, deported members of Cuba's United Nations delegation on charges of intelligence activities. According to FBI estimates, there are approximately 1,000 Communist intelligence agents operating in the United States. Through their combined espionage efforts, the Soviets have allegedly been successful in acquiring details of American secrets dealing with: Radar system for the B-1 and Stealth bombers, F-15 look-down, shoot-down systems, and Phoenix air-to-air missile systems.

Soviet successes at obtaining both information and hardware for development of their own new weapons systems have reportedly saved that country billions of dollars in research costs, and have cut their weapons development time by several years.

Mr. President, the current rash of expulsions should serve as notice that the Soviets have not abandoned their goals of worldwide disruption and domination. All this activity comes at a time when there are those who argue that the Soviet Union is playing a minimal role in the crisis in Central America. Unfortunately, the truth of the matter is that, at this very moment, Cuban and Soviet intelligence personnel are feverishly aiding those who wish to oppress the citizens of Latin America and disrupt the lifestyles of those who strive for democracy in that area.

Mr. President, we should not take lightly this recent surge of Soviet spying activity. We should realize that the Soviet Union is enhancing its efforts to gain military and technical superiority over those who oppose their totalitarian system. Additionally, we should support the President's efforts to convince the leaders of other Western nations of the need for increased coordinated efforts aimed at preventing the Soviets from obtaining their goals through espionage.

Mr. President, I recently came across an article in the U.S. News & World

Report that describes this problem in some detail. I ask unanimous consent that a copy of this article appear in the RECORD.

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

[From U.S. News & World Report, Nov. 8, 1982]

BEHIND LATEST SURGE IN SOVIET SPYING

Item: An allegation surfaces of a Soviet "mole" penetrating British intelligence and pinpointing nuclear weapons of Britain and the United States.

Item: A KGB spy master defects to the West with dossiers on Soviet secret agents in Europe and the Near East.

Item: A Polish banker operating as an undercover agent seeks asylum in the U.S. and provides the CIA and FBI with new details of Soviet-bloc intelligence operations.

Three spy thrillers in a matter of days have stripped bare Soviet-bloc espionage of a scale and gravity that is shaking counterintelligence services around the world.

The disclosures in late October showed Soviet agents are tapping the free world's closest-held military and industrial secrets—often with alarming ease.

One report—of lax security at a top-secret British communications intelligence center—threatens to weaken U.S. cooperation with Britain in intelligence operations.

In this scandal, translator Geoffery Prime is accused of giving Moscow secrets that damaged the West as badly as the notorious English traitor Kim Philby did in the 1950s.

Offsetting Prime's alleged betrayal somewhat are the defections of Polish banker Andrezj Treumann and the KGB's top man in Iran, Vladimir Kuzichkin, who reportedly have exposed subversion plans of the Kremlin.

Sweden's recent effort to force a presumed Soviet-bloc submarine to surface in its waters showed just the military aspect of the espionage threat. No less worrying for Western authorities is the Kremlin drive to steal industrial secrets. Japan is a prime target for Soviet acquisition of high technology that cannot be obtained directly from the U.S.

The brazenness of the U.S.S.R.'s spying campaign is underscored by the growing number of expulsions of Soviet agents in diplomatic clothing from embassies worldwide—at least 21 from 11 nations in the first six months of 1982. Among them—

Last February Norway expelled two Soviet trade officials who tried to buy secrets from employees at plants producing components for the American-designed F-16 fighter.

Bangladesh in April kicked out two Soviet Embassy attachés who were tracked into a jungle where they tried to burn 588 reels of film.

In April, Spain deported two Soviet airline employees for trying to infiltrate the Spanish Air Force.

On October 2, Switzerland caught a KGB colonel and his wife using the neutral country as a base for spy missions.

U.S. News & World Report correspondents in major capitals find grave concern about Moscow's spying. This picture emerges in talks with intelligence exports and diplomats:

London

Britain has been shaken by what appears to be the most damaging penetration of Western intelligence since the time of traitors Kim Philby, Guy Burgess and Donald Maclean.

The latest treachery centers on charges against Geoffrey Prime, 44, who worked from 1968 to 1977 as a translator at the heart of Britain's electronic-intelligence network.

Prime reportedly stole secrets that enabled Moscow to locate all British and U.S. nuclear warheads, to learn day-by-day readiness of every NATO division, to identify Western spies, to discover which Soviet codes had been broken by the west and to plant false information.

Prime's role was leaked by U.S. officials who were angry about sloppy British security. One former employee of the British spy operation said security at the center—which works closely with America's supersecret, code-breaking National Security Agency—is "just about good enough to fend off a well-meaning drunk."

Prime Minister Margaret Thatcher faced heated questioning about the charges in Parliament. And one Conservative member, Geoffrey Dickens, said: "Our computers in this country appear to be leaking like sieves."

Aside from the penetration of the electronic-intelligence center, Russian spies in Britain are striving to obtain computer-technology secrets as well as details of operations in the North Sea oil fields. Of particular worry is the vulnerability of data in government computers. Civil-service operators are usually more poorly paid than those in the commercial field; many leave for better salaries, taking with them intimate knowledge of government techniques and becoming targets for subversion.

Tokyo

Soviet-bloc spies have focused in the past two years on prying into Japan's advanced industrial technology. Officials say this trend was accelerated by President Reagan's toughened embargo against the Soviet Union because of Russia's support for the martial-law takeover in Poland.

Targets of Soviet agents are Japanese technologies in ceramics, electronics, robots, optical fiber, genetic engineering, lasers, biotechnology, nuclear fission and fast-breeder reactors. Japanese ceramic materials, for example, could replace steel in the manufacture of lighter and stronger tanks, ships and planes.

Efforts by Tokyo to guard against espionage seem half-hearted. Stripped of military power after World War II, Japan has no antiespionage laws to back a crackdown.

In the past 37 years, Tokyo has uncovered only nine spy cases involving Russians, who safely fled while the prosecution focused on their Japanese accomplices. The spies are reportedly helped by 2,000 Japanese citizens recruited by Moscow while being held prisoners after World War II.

In one notable case in 1980, a major general in Japan's Self-Defense Force was given a one-year prison term for passing classified information to Soviet military attachés.

Bonn

West Germany is a hotbed of Soviet-directed spying, and authorities assume that Communist agents here number in the thousands. In 1980 alone, 33 persons were convicted of spying and more than 50 were arrested.

Last month, Bonn's annual official intelligence report detailed thwarted attempts by Poland's Deploma trading office in Düsseldorf to obtain plans for the electronic-guidance system for an American-made rocket. And the report said the Bulgarian Embassy tried to evade embargoes by ordering small quantities of a product from a range of companies. Eyed by the Bulgarians: Microelectronics, laser optics, radiation technology and semiconductors.

In March, the Bonn parliament learned of the expulsion of 10 Eastern European agents posing as businessmen. Investigators said much of the spying was done by "mixed firms" in which the agents operated businesses jointly with West German partners.

Authorities say Soviet-bloc agents increasingly use a technique of recruiting jobless workers who advertise for employment in West German newspapers. The job hunter is usually contacted by phone or mail and offered an expenses-paid trip to East Berlin, where he is pressured to start spying. Officials say 70 percent of all Communist espionage is handled by East German intelligence.

Paris

Soviet-bloc agents in France have a special mission. French police say that for the past two years they have focused on disinformation and destabilization.

One part of the strategy: Discrediting exiles and dissidents from Eastern-bloc nations. Action against exiles ranges from surveillance to beatings and even murder. Officials say the problem is growing because of pressures for human rights in Soviet-bloc countries and struggles against corrupt Eastern regimes.

Exiles working for Radio Free Europe have been beaten or sent parcels containing bombs. A Romanian journalist was stabbed 22 times in a Paris underground garage in 1981.

In the two decades before 1980, the French regularly expelled Soviet diplomats who were often caught with photocopies of classified French or NATO documents. One of the most ambitious plots, though never proved, involved the acquisition of plans of the French supersonic airliner Concorde that helped the Soviets to build the Tupolev 144.

The latest expulsion involved an assistant Soviet air attaché caught stealing equipment from an exhibit at a Le Bourget air show.

The French secret service, DST, has a special branch protecting some 400 "sensitive" firms here, both advising and shielding them from spies. But DST says that at least 70 percent of the "sensitive" information can be collected legally by spies without their resorting to breaking into offices or planting electronic snooping equipment.

Severe punishment has been meted out in a few cases of industrial espionage brought to light here. Last February, Marcel Abel was sentenced to five years in prison for mailing specialized pharmaceutical publications to East German security services—even though there was no proof his work had harmed French military or economic interests.

Geneva

Switzerland—traditionally a mecca for international spying—is a springboard for Communist espionage in Western Europe, and the counterintelligence task here is awesome. Geneva hosts a number of international organizations with a total of more than 15,000 employees and frequent personnel changes. One third of all persons involved in Swiss spy cases are diplomats or officials of international agencies.

Yet some "deserters" cast doubt on the effectiveness of KGB people in Geneva. One difficulty: They are poorly briefed and live

isolated in Soviet diplomatic quarters amid nepotism and bureaucratic game playing.

KGB operatives here reportedly become competitive in an unproductive way, trying to impress superiors and to prolong their stay in wealthy Switzerland.

Stockholm

Tens of thousands of shortwave-radio messages are now being beamed to Communist agents in Scandinavia, according to Swedish intelligence. The sensation in October over the suspected presence of a Soviet submarine in Swedish waters is only the latest in a long history of such incidents. Soviet-bloc submarines continually violate Swedish sovereignty to spy on defense installations and reconnoiter places that could serve as military bases in time of war.

Controls were tightened after a Soviet sub was found aground in 1981 in restricted waters near a Swedish naval base. But still, the Swedish military has investigated more than 50 reports of suspected foreign submarines since June. Unconfirmed reports say Soviet subs recently put ashore spies in the Stockholm archipelago.

Last October, Denmark expelled Valdimir Merkulov, a KGB case officer working under the guise of a diplomat. Merkulov arranged through a local KGB agent of influence to have 150 Danish artists sign an appeal calling for a Nordic nuclear-weapons-free zone and supplied money to place the appeal in newspaper advertisements.

Ottawa

A former security official of the Canadian government charges that the Soviet Union is deeply involved in at least two Canadian industries. Edmund R. M. Griffiths, now president of Sterling Risk Assessment Corporation, says the Soviets are locked into farm-machinery and auto firms.

He also says Parliament has shown little concern.

Griffiths—a former assistant to the Minister of Justice, the Attorney General and the Solicitor General—also complains that Soviet spies "get sanctuary in universities, but the educators don't want to allow counterespionage agents the luxury of competing on campus."

Canada expelled a Soviet diplomat in April for tryting to buy high-technology communications products that Western nations agreed not to sell to Moscow. Mikhail Abramov, the Soviet trade representative here, offered large sums of money to an unidentified Canadian businessman in an attempt to illegally export fiber-optic and other items.

In January, 1980, Soviet military attaché Igor Bardeev and two of his staff were expelled for trying to find out the electronic "black box" secrets of the American-made F-18A Hornet fighter plane that Canada was considering buying for its forces.

Singapore

Soviet spies are keenly interested in the Western Pacific and Indian Ocean because of increasing U.S. military activity in the region and because Russians now operate out of the former U.S. base at Cam Ranh Bay, Vietnam.

Attention on espionage in this area sharpened last year when three Soviet diplomats were expelled by the Malaysian government after the Prime Minister's political secretary was arrested and accused of spying.

Singapore in February expelled two more Russians on espionage charges, including Anatoliy Larkin, the second secretary at the Soviet Embassy.

Also in February, two Russians were kicked out of Indonesia. Intelligence sources say the two were getting oceanographic information on Indonesian waters from an Indonesian military officer. This information included details on water depths and density that would be invaluable to Soviet submarines seeking to enter the Indian Ocean without being detected.

The expulsion of Larkin is cited as a classic example of how Western governments often work at cross-purposes in combatting the KGB. Some sources say that Larkin, a senior KGB man, was ousted from Singapore to show the solidarity of Southeast Asian nations against Moscow—and not because he has picked up critical information.

In fact, Larkin, a playboy type who liked the good life, reportedly had already been tabbed as a potential defector. The CIA was about to approach him with an offer when the Singapore arrest came—blowing the whole operation.

THE WIDE NET OF SOVIET ESPIONAGE IN AMERICA

Wherever Soviet-bloc spies operate around the world, their No. 1 target is American military and industrial technology.

Enough cases have come to light in recent months to indicate the extent of their efforts in the U.S.

Gen. Vasiliy Ivanovich Chitov, a top espionage agent working out of the Soviet Embassy in Washington, was caught in February making a pickup at a message-exchange point. He was expelled the next day.

Two Cuban diplomats at the United Nations were expelled in July after customs agents intercepted a TV-satellite monitoring system they were trying to get out of the country.

A Polish espionage officer and a former executive of a defense plant in Southern California were sentenced to long prison terms last December in what the FBI called "one of the most damaging espionage cases uncovered in the country in over a decade."

A defector told the FBI last year that Soviet engineers who visited aircraft plants in this country as guests of the State Department wore special shoes that picked up metal shavings to be analyzed for their alloy content.

But publicized cases such as these are the exception. Most of the espionage-counterespionage war between the U.S. and Russia is hidden from public view. Sometimes spies are protected from prosecution by diplomatic immunity and are quietly sent home. More often, the FBI tries to get them to work for it.

In late October, the highest-ranking Polish banker in the U.S. defected and reportedly provided the FBI with valuable inside information on the Soviet-bloc espionage apparatus.

If it is not possible to convince a spy to defect or act as a double agent, he may still be permitted to operate but under FBI surveillance. "Otherwise," says FBI Director William H. Webster, "we run the risk that he will be replaced by someone that we do not know."

The number of Soviet-bloc spies active in this country certainly runs into the thousands.

More than a thousand espionage officers are known to be attached to embassies, consulates and to the U.N. in New York. They often work quite openly in efforts to gather information and recruit Americans as agents.

At technology conferences, they mingle, shake hands and avidly collect business cards.

How many Americans they have recruited is not known. Also hidden from view is the number of "sleepers"—spies sent here to remian quiet until they are activated for a particular espionage job.

The Soviet effort is also aided by more than 20 firms in this country owned by Russia or its Eastern European allies—serving as conduits for U.S. technology.

Although Soviet espionage agents sometimes seem to act as vacuum cleaners, scooping up anything they can get, the CIA says they work from lists of most-wanted technology carefully compiled by the Soviet State Committee for Science and Technolgy.

Says the FBI's Webster: "I do not think there's been another time in our history when our country has been under such a sophisticated espionage assault."

JERRY W. COOPER, TENNESSEE'S SMALL BUSINESS PERSON OF THE YEAR

Mr. SASSER. Mr. President, this is National Small Business Week, a week in which both the public and private sectors take note of the entrepreneurial spirit which has not only made our country great, but which serves also as the very backbone of our Nation's economy.

Indicative of that spirit is Jerry W. Cooper of McMinnville, Tenn. He is the State's Small Business Person of the Year. This honor is bestowed on an individual only after a rigorous process of nomination and review by councils, committees, and the Small Business Administration (SBA).

In order to receive recognition as Tennessee's Small Business Person of the Year, Jerry Cooper and his business—Cooper Manufacturing, Inc., a firm that designs and manufactures furniture and furniture parts—were judged on the following criteria:

First, the business' "staying power," that is, its substantiated history as an established business; second, the growth in the number of its employees, a benchmark by which to judge the business' impact on the job market; third, an increase in sales or unit volume, which is an indication of continued business growth; fourth, evidence of the improved financial condition of the business as reflected in its current and past financial reports; fifth, examples of the creativity and imagination of the business as demonstrated in the innovativeness of the product or service which it offers; sixth, how the business responds to adversity, as seen in the problems faced by the business and the solutions taken in resolving those problems; seventh, evidence of contributions by the business to aid community-oriented projects as illustrated through the personal time or other resources contributed to such projects; and finally, any initiatives the busi-

ness took to create new jobs, help reduce inflation, employ the handicapped or disadvantaged, save energy, or improve the environment.

In the explanation that accompanied the award to Jerry Cooper, the SBA outlined just why he managed to succeed and become Tennessee's Small Business Person of the Year:

In April 1973, Jerry W. Cooper and a partner founded Cooper Manufacturing Inc. to design and manufacture furniture and furniture parts and to buy and sell lumber and wood products. The partners found that although they purchased log-run lumber—the full product of the log—the furniture they wanted to make required only the middle grades, so they set out to locate customers who could use the upper grades for cabinet stock and lower grades for pallets and skids. A kiln that took six months to build and had been installed less than two months was destroyed by fire and completely rebuilt in 16 days. The company has been successful in marketing its kiln-dried lumber; sales in 1982 were $1.4 million, and employment is up to 42. Jerry Cooper is deeply involved in community projects. As President of the Jaycees in 1982. he worked on a project to build a camp for physically and mentally handicapped people of all ages at Cordell Hull Lake in Jackson County.

Mr. President, I am proud to know and represent Tennesseans such as Jerry W. Cooper, and I am pleased that he has been honored for his outstanding business record. It is a standard by which other businesses ought to measure themselves. It is also a good example of the reasons we have a National Small Business Week, because it has provided a forum for recognizing in people like Jerry W. Cooper the entrepreneurial spirit which serves as an inspiration to us all.

SOIL CONSERVATIONIST WINS NATIONAL HONOR

Mr. SASSER. Mr. President, my colleagues and I are very pleased to learn that a fellow Tennessean, Mr. E. B. Dyer of the USDA Soil Conservation Service in Nashville, has been selected to receive 1 of 10 Gulf Oil Corp., awards for professional conservationists in 1983. Mr. Dyer and his wife Sarah were in Washington this past Thursday evening to receive the honor.

He has been a career civil servant in the cause of soil and water conservation for 26 years, all of that time in Tennessee. His accomplishments are of lasting benefit not only to Tennessee and the Nation but extend even to other nations as well.

E. B.'s relationship to my family goes back many years when my father, Mr. Ralph Sasser, served as State conservationist of the Soil Conservation Service. I have had the pleasure of knowing E. B. and working closely with him on many issues over the years. He is truly an outstanding individual and an outstanding conservationist. He has demonstrated his professionalism and leadership abilities in many varied activities and in varied responsibilities including his present role as assistant State conservationist.

Within Tennessee, he has been a really innovative producer of useful information and ideas about natural resource issues—and an effective catalyst in motivating employees of SCS and other agencies, conservation district leaders, and farmers and their organizations to recognize the problems and work together to resolve them.

He has contributed as well to national programs through his model efforts in river basin planning, in watershed and rural clean water activities, and in targeting of information, education, and technical assistance toward solving critical soil and water problems through voluntary programs.

Because of his professionalism in the many aspects of soil and water conservation, he was selected by USDA in 1981 to represent the United States as a member of a four-person team to review and advise the People's Republic of China about soil and water problems. Not only were his recommendations in China helpful in designing programs over there, but also he escorted a group of Chinese conservation and agricultural officials on a 6-week tour of the United States.

He is a member of many professional, civic, and church groups, and has given extra measure to each of them just as he has on his regular job. He has given hundreds of lectures, speeches, and programs—and has helped many of these groups find a common purpose so that they can accomplish more working together than by their separate actions.

In fact, he helped form the Natural Resource Conservation Societies of Tennessee that provides a coordination and communication function for five professional conservation societies in the State. I participated in that group's conservation field day last fall that was attended by more than 500 people. The result is many more people who are active in caring for our State's natural resources.

E. B. was graduated from the University of Tennessee at Knoxville, in agronomy and soils. He also has received a master's degree in economics from North Carolina State University. He has combined technical knowledge with a love of people and the land and an ability to lead. He truly represents the best in Federal programs, and he has worked unstintingly to improve these programs.

I am glad that Gulf Oil Corp., itself has the kind of active interest in soil and water conservation that it devotes so much attention to recognizing dedicated people in the field—and I am glad that Gulf Oil saw fit to recognize E. B. Dyer.

THE MEMORIAL PLAQUE FOR THE AMERICANS WHO DIED ON THE IRAN RESCUE MISSION

Mr. THURMOND. Mr. President, the United States recently honored the eight brave Americans who gave their lives in the ill-fated Iranian rescue mission, a ceremony I and many of my colleagues had the high honor of attending.

Ambassador Bruce Laingen, who headed up our Embassy in Teheran and has since taken up the cause of honoring the Americans who died trying to free the 53 hostages, gave, perhaps, one of the most inspiring and moving addresses I have heard.

He spoke eloquently of freedom and of the bravery of the men on the Iranian rescue mission, soldiers who were ready to make the supreme sacrifice for their country. The recurrent theme in Ambassador Laingen's speech, however, was self-sacrifice, and how this Nation has always been blessed with men and women of great courage—people who give of themselves so that the torch of freedom will continue to burn brightly.

Mr. President, my colleagues who attended the unveiling and dedication of the plaque in honor of those who died in the Iranian rescue mission will long remember the ceremony. Indeed, it was one that we should never forget; and the plaque honoring the eight brave men who died in that tragic event will be a silent and stirring reminder to us and our children that freedom costs, and that there are those who have paid the price.

In order to share more about the dedication of the plaque and the ceremony at Arlington National Cemetery, I ask unanimous consent that the address by Ambassador Bruce Laingen, commemorating this historic event, be included in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

REMARKS BY AMBASSADOR BRUCE LAINGEN AT CEREMONY IN ARLINGTON NATIONAL CEMETERY

Mr. Secretary, Members of Congress, distinguished guests, families of those we honor, colleagues from the Tehran hostage group:

Three years ago those whose memory we honor today were members of a small band of valorous men, embarked on a mission of almost incredible complexity. Men persuaded by hope and filled with the exuberance of youth, bright eyed in a spirit of adventure and daring, confident and committed in teamwork.

But more than that—they were also men joined together because they cared; because they cared about something much larger than themselves. Because they cared about freedom; because they cared with special fervor about the freedom and welfare of 53 of their countrymen; and because they cared about the dignity of the human spirit.

Renewing in this way their commitment to those very fundamentals of individual freedom that have always been at the core of the American experience; reminding us of the commitment of all who respond to the call of public service. Reminiscent of an expression from Thomas Paine that those who expect to reap the blessings of freedom must undergo the fatigue of supporting it. Reminiscent also of a maxim attributed to another American patriot, Andrew Jackson, that one man with courage makes a majority. Courage was not in short supply at Desert One. The men on that mission three years ago made courage contagious.

This is not the time or place to make a judgment of the technical or political wisdom of what those men were asked to do, and of the resources made available to them. Their mission has been termed a failure. And it did fail, in the sense that none of those men reached their goal. And it was a terrible tragedy in the loss of these eight men.

But it was not a failure in other respects: in what was learned, and in the demonstrated readiness of that group of men to try, and to try against almost impossible odds. Nor was it a failure in the way they reaffirmed in that way America's espousal of freedom and in the example they set for all of us of personal courage and sacrifice.

Today we come to this place, so symbolic of sacrifice in our nation's history, to dedicate a simple plaque to their memory, and to their heroism; yes, and also to commemorate the courage and spirit of all who went on that mission, and the love of families that gave them the strength to try.

A plaque that can do little to ease the pain of the families of those who did not return. A plaque inevitably inadequate in terms of what we owe them. But let this plaque, this monument, be seen as something more as well; let this plaque—and its dedication today—be also a reminder of the sacrifice of those many unsung heroes in a far larger sense. All those in public service who give of themselves and, not infrequently, their very lives in responding to the call of duty; all those whose lives are lost in the daily task of training and exercises in maintaining our military deterrent in times of peace, at sea and on land (including those who died in the Indian Ocean while we were held in Iran), but whose loss sees so little public notice.

Yes, those too who man and who seek to protect our Embassies abroad in so many areas of risk—all of us reminded this past week by the tragedy of Beirut of what too often we take for granted in such service and where examples of heroism too often go unnoticed. Unsung, all of them, but heroes too, just as much as those we honor here today.

So let this memorial be a continuing memorial, one that is alive in our minds and preserved in our hearts, to all who even today risk their lives, their homes, their sacred honor in the defense of those ideals that have made us proud to be called Americans.

And now to you, eight brave countrymen, who tried to reach out to us; from 53 fellow Americans who did not and now can never know you, but whose freedom when it finally came was brighter because of what you tried to do and what your memory means to us; over the distance of that great unknown that in death divides you from us, but within the faith that unites us all; we salute you, we reach out to you in a spirit of undying respect, we will not forget.

I now ask Secretary Weinberger to join me in unveiling the memorial plaque.

TRIBUTE TO MAJ. GEN. ALBERT AKERS, THE COMMANDING GENERAL OF FORT JACKSON IN SOUTH CAROLINA

Mr. THURMOND. Mr. President, I rise today to call to the attention of the Senate an excellent example of civilian and military relations.

Recently, Maj. Gen. Albert Akers, the commanding general of Fort Jackson, S.C., was presented the Ambassador of the Year Award by the Greater Columbia Chamber of Commerce. General Akers received this award in recognition of his dedicated service to both Fort Jackson and the city of Columbia, S.C.

General Akers has epitomized the motto of Fort Jackson, which is "Victory Starts Here." Not only does victory begin with tough basic training, its bedrock is strong civilian support of the military.

His pursuit of excellence in training soldiers carries over to the fine relationship Fort Jackson enjoys with the city of Columbia.

Mr. President, General Akers is to be commended for the outstanding job he has done as commanding general of Fort Jackson and in developing a strong relationship between the fort—the Army's largest and most active training center—and the city of Columbia, and I ask unanimous consent that an article from the Columbia Record newspaper, concerning General Akers, receipt of the Ambassador of the Year Award, be included in the RECORD.

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

AWARD DESERVED

Fort Jackson has enjoyed a sometimes capricious but largely fruitful relationship with the city of Columbia since World War I.

A beneficial reciprocity has occurred because there has been a consensus and an understanding on the part of the military and civilian communities that to have it otherwise would be merely an uneasy state of coexistence.

Through the years, Fort Jackson and Columbia have been fortunate to have as commanding generals civic-minded individuals who have blended well with the community outside the army installation.

None has fitted in better than the current commander, Maj. Gen. Albert B. Akers. For his community work, he was presented last week the annual Ambassador of the Year Award of the Greater Columbia Chamber of Commerce. Al Akers deserved it.

"Good relations are a must," Akers said in a recent interview. "Anything less is time consuming and debilitating and detracts from our mission. It's like a man who is quarreling with his wife. It's going to affect his job."

What he really said goes without saying, of course, but sometimes the obvious needs stating lest passivity and a "taking-it-for-granted" attitude allow relations between the civilian and military communities to degenerate imperceptibly into alienation and suspicion.

What may have begun as a marriage of convenience has for Columbia and Fort Jackson evolved through active good faith into a union of genuine respect and, yes, even affection.

REPORT ON BILATERAL TALKS WITH LEADERS OF MEXICO, PERU, AND BRAZIL

Mr. SYMMS. Mr. President, from March 25 to March 31, I participated in bilateral talks with political leaders, central bank chiefs, diplomats, and businessmen of Mexico, Peru, and Brazil in their respective homelands.

I returned with great admiration for the leaders I met, and I remain impressed by their courage in the face of distressing economic and social conditions. However, I must also report that I saw little to justify an expansion of the U.S. quota in the International Monetary Fund.

No matter how determined Latin American leaders may be toward correcting their problems, I do not believe that Government action alone can impose enough discipline to solve the economic and institutional inefficiencies that have led to the debt crisis. We would merely be throwing good money after bad, while doing nothing to promote efficiency and free enterprise in Latin America.

All Latin American governments are top heavy. That is, they maintain inefficient civil bureaucracies and lavish pension plans that sap the vitality of the private sector. With each loan we offer, the larger the public sector seems to get. This inefficiency is exacerbated by the continuing practice of political leaders to make the popular move and nationalize foreign investment while discouraging new investment. Denationalizing industries is an essential ingredient in encouraging foreign and domestic equity development.

It is not my intention to be smug, or to rudely lecture my recent hosts. The economic difficulties of Latin America—subsidies, protectionism, distorted prices, inefficient state enterprises, uncontrolled government expenditures, swollen deficits, and inflationary money growth—are also features of our own economy. Indeed, if we continue on the path we are on, it will be the debtor nations who provide the model of the future for the lending nations.

Mr. President, with this concern in mind, I would like to recount a report of my observations as a member of the delegation to Latin America lead by Deputy Secretary of the Treasury, R. T. McNamar.

I might say, Mr. President, as an American, I was extremely proud of

the job Mr. McNamar and Mr. Tom Conover, Comptroller of Currency, and Mr. Tom Dawson, Deputy Assistant Secretary for Developing Nations, did in representing the United States of America. I should also mention the marvelous support of Assistant Secretary W. Dennis Thomas. Each of these public servants and their staffs demonstrated their considerable talent in putting together such a tight and rigorous schedule.

We departed Andrews Air Force Base on Friday, March 25, and arrived in Mexico City 4½ hours later. Even the most worldly traveler has to gape at the Mexican capital, a sprawling metropolis of some 15 to 20 million souls. The wide avenues and promenades of the city are a sight to behold. And, of course, the capital is world famous for its unsurpassed anthropological museums and cultural attractions. Unfortunately, Mexico City is also known for its crowded, unsanitary conditions. The massive population is too great a burden, straining city services beyond capacity. Pollution is severe. It seems to me that any effort to restore the Mexican economy might do well to begin with a reformation of this great city.

Of course, Mexican urban problems do not concern us directly. However, we must note that there is an ominous potential for unrest in urban Mexico. The last Mexican Revolution was lead, in myth if not in fact, by the campesinos. Today, Mexican stability faces a potential threat not from the villages, but from the city—where un- or underemployment afflicts half of the adult population. We must support the Mexican Government in its efforts to alleviate this poverty, not just for humanitarian reasons, but to bolster the stability of our nearest and most important neighbor.

Yet, I cannot accept that the IMF offers the best channel for achieving this. Mexico had the opportunity with the high world price for oil and international lending in the last decade to industrialize efficiently.

This opportunity was squandered.

It does not appear to me that the Mexicans can even pay the interest on their loans, much less begin to pay the principal. It is a Catch-22 situation. If we continue to give them handouts, the inefficient practices will only be bolstered. If we fail to aid them, the Mexican economy might collapse, causing us a legion of immigration and economic problems. Recognizing this, I can only conclude that further aid would be counterproductive—until the Mexican Government reforms the public sector.

On Saturday, March 26, I attended a briefing on United States-Mexican relations from Ambassador John Gavin. Mr. Gavin is certainly an Ambassador the President can be proud of. Fluent in Spanish and well-known in Mexico, Mr. Gavin excelled as a graduate student under Dr. John Johnson, one of the great Latin Americanists of our time, at Stanford University. And, despite some U.S. press reports to the contrary, Mr. Gavin is well thought of in Mexico. He has earned the confidence of the Mexican Government.

In all, Mr. Gavin is a can-do man who eagerly assumes weighty responsibilities with joy. I compliment the President on his choice.

On that same morning, I heard the concerns of many American businessmen, worried about closed doors to their products. There were reciprocal concerns from the Mexican business community that protectionism was a growing issue in the next U.S. election.

To both groups, I stressed that most Americans believe that free trade and open markets would ultimately benefit both societies.

At the National Palace, we met with Jesus Silva-Herzog, the Mexican Finance Minister, and with Bernardo Sepulveda Amor, the Mexican Foreign Minister. I took the opportunity to ask several officials why Mexico expects assistance from the United States, but is unwilling to join our Government in an unequivocal denunciation of Nicaraguan and Cuban proxies of the Soviet Union operating in Central America?

The answer I received was inadequate.

Leaving Mexico on Sunday, our delegation arrived at Howard Air Force Base in Panama, where a quick inspection of the Panama Canal was arranged. This was not my first trip to the Canal Zone; I felt better about the zone in 1982 than now.

While I opposed the Panama Canal Treaty, I have to compliment the State Department on its administration of the transfer agreement. I am especially impressed by the fine performance of the Panama Canal Commission, under the able direction of Retired Gen. D. P. McAuliffe and his resourceful deputy, Fernando Manfredo, Jr.

With such competent administration, more tonnage passed through the Canal in 1982 than ever before.

But the housing of the Canal, under Panamanian stewardship, is deteriorating. The railroad remains in disrepair. The Panamanians are short on capital because much of their Canal profits are paid on international loans. Panama has high unemployment and a low average age for the population; not a recipe for social stability. While Panama is second only to Costa Rica as a model of stability for the region, I am not confident that it will remain so. Havana makes its presence felt throughout Central America. Indeed, there are some 6,000 Communists in Panama itself.

Arriving in Lima in the evening, we attended a reception at the National Palace hosted by President Fernando Bellaunde Terry, a former architect with bold ideas for rebuilding Peru. The President escorted us to a palace room where we saw displays of impressive public works projects. With obvious pride, he showed us plans for great highways to connect the urban coast with the vast interior east of the Andes. He spoke of agricultural expansion. And he told us of a project, now underway, to bore a tunnel through the mountains to open a mammoth hydroelectric and irrigation project.

On Monday, I was impressed by the free-market attitude of the Peruvian Finance Ministry officials. They have made truly heroic efforts to anticipate IMF conditions and to abide by them. One example of Peruvian fiscal sense, in contrast to Mexican practice, stands out in my mind. The Peruvians charge the going rate for the use of their transportation system. Such a frugal cut in state subsidies is unpopular, but it is eventually fairer to everyone.

That afternoon, we conferred with U.S. businessmen and our Ambassador, Frank Ortiz, an outstanding and capable diplomat.

Yet I cannot say that I left Peru entirely satisfied with everything I had seen. As a Peruvian official confided in me, the military, a client of the Soviet Union, casts a long shadow over the National Palace. As you might expect, any criticism of the military by Government officials is made in hushed tones.

I would recommend that those Americans who have qualms about selling U.S. arms to foreign government should visit Peru. Taxiing down the runway at the Lima Airport, sightseers can take in an impressive catalog of Russian weapons, jets, and helicopter gunships. Wherever there are many Soviet weapons, there are also Soviet advisers. And wherever there are Soviet advisers, there are sure to be Soviet KGB agents. Thus, the Soviet Union, in Peru, maintains a constant and malignant presence for all of South America. Oh, how I wish the Peruvian military had U.S. equipment, sans advisers.

Nor is the military the only threat to the Peruvian Government. Since my recent visit, terriorism has markedly increased there. The Sendero Luminoso, a group of self-styled Communist revolutionaries, massacred 80 villagers in the nation's central highlands.

Arriving in Brasilia on Monday, I participated in bilateral talks with the Brazilian Minister of the Economy, the Central Bank President, the Minister of Planning, and many legislators on the following day, But one man dominated my impression of Brazil, President Figueiredo—an impressive man with any title.

In fact, the Brazilian President reminds me greatly of our own President. He is robust, charismatic, an attentive listener, and he has a marvelous sense of humor. He is also direct and uneqivocal in his belief in the urgent need to keep Soviet influence out of Central America, and the Americas in general.

I was also delighted by the quality of our representation by Mr. Langhorne A. Motley. Mr. Motley, like Mr. Gavin and Mr. Ortiz, is fluent in the language of his hosts. Mr. Motley spent the first 18 years of his life in Brazil; in fact, his mother still lives in Rio de Janeiro. He was a dual citizen until the time of his confirmation. You could not ask for a better representative than that. But Mr. Motley has more to recommend him than his birthright. He is a capable and decisive ambassador of great service to the United States.

If you fly across Brazil, an awesome expanse of pristine forests, tropical jungle, and rolling savannah opens up before you. Brazil is larger than the continental United States. One can hardly call this South American giant a Third-World country. Already a booming commerical center when Jamestown was a primitive village, Brazil is now an industrialized nation of 120 million people. Brazil has marshaled its potential to create the world's largest hydroelectric power project at Itaipu, to build automobiles, to produce steel and synthetic fuels. As Brazil continues to focus its energies inward, toward its largely untapped resources, I can't help but wonder how much commercial and industrial competition they will some day pose for us.

And, I expect, there will be considerable competition from Brazilian agriculture. Given the inexhaustable amount of land, the enormous water resources of the Amazon River basin and their propitious climate, we may well see Brazil become a leading agricultural exporter as well.

Brazilian economic progress has, historically, been hampered by the tendency for its inhabitants to cling to the coast. I believe that the Brazilian economy will reach the take-off point when a truly continental highway and railroad network is constructed. With such a network, the infrastructure for mass movements of resources will be open. Only then, will Brazil's potential as a superpower be realized.

Returning from Brazil that Thursday, March 31, I concluded that I had seen nothing to justify the $8 billion International Monetary Fund extension that was eventually favored in the Senate Budget Committee, without my vote.

I am not callous to the hardships experienced by these three nations. But it is apparent that the IMF is offering no creative solution to the structural problems inherent in Latin American economics. Indeed increased indebtedness is likely to be the only result of further loans under current IMF policies.

The IMF should seek to tighten lending conditions. These countries must, if they are going to accept IMF aid, begin to implement economic policies in their countries which will encourage foreign and domestic investment. They must denationalize industries, reduce tariffs on imports, eliminate the rigid exchange rates and, cut their excessive spending on social programs.

The closed doors to our farmers, our oil producers, and our businessmen must open up.

Also, nations that accept our support must carry their weight to protect our security and the hemispheric integrity of the Americas.

Ultimately, it is the strategic priority that must come first. We should seek support among our southern neighbors to root out the insidious influence of Soviet-backed revolution. This is not to say we should ignore Latin American social conditions—or the abuse of human rights in Central America. These problems also represent a threat to stability in Central America.

In the end, there is only one way to encourage respect for human rights. That is to encourage prosperity and independence—the prime results of the free-enterprise system. It is only with a free market and respect for property rights, that we will ever see a system in Latin America that respects individual rights. And, the development of a free-market economy in Latin America is the only, and I mean the only, way to make our loans sound.

I remain unconvinced that an extension of U.S. participation will address this need for fundamental change. Only the Latin Americans themselves can opt for free enterprise and growth.

Mr. PROXMIRE. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll

The assistant legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

FIRST CONCURRENT BUDGET RESOLUTION—FISCAL YEAR 1984

The PRESIDING OFFICER. Under the previous order, the hour of 10:30 a.m. having arrived, the Senate will now resume consideration of the unfinished business which the clerk will state.

The legislative clerk read as follows:

A Senate concurrent resolution (S. Con. Res. 27) revising the congressional budget for the U.S. Government for the fiscal year 1983 and setting forth the congressional budget for the U.S. Government for the fiscal years 1984, 1985, and 1986.

The Senate resumed consideration of the concurrent resolution.

AMENDMENT NO. 1243

The PRESIDING OFFICER. The pending question is on the Domenici-Baker amendment No. 1243 in the nature of a substitute.

The majority leader is recognized.

Mr. BAKER. Mr. President, the distinguished chairman of the Budget Committee and the distinguished ranking minority member of the committee are deep in conversation. I have no idea what will come of that, but I gather from that conversation they are not ready to go yet. I have discussed with them the request I am about to make next and they have no objection. I hope other Senators will not.

Mr. President, I ask unanimous consent that it may be in order to suggest the absence of a quorum with the time charged equally against both sides.

Mr. DOMENICI. Reserving the right to object, I just want to tell the leader what we were talking about.

Mr. BAKER. I am probably happier not knowing.

Mr. DOMENICI. The distinguished Senator from Florida went turkey hunting this morning, and he got a turkey. We were talking about turkeys.

Mr. BAKER. I am tempted beyond all measure of restraint to remark on the other turkeys that we have to deal with.

Mr. DOMENICI. I commented knowing full well that the Senator might, but I beg him not to.

Mr. BAKER. All right. I agree.

Mr. President, I put the request.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. BAKER. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11:30 A.M.

Mr. BAKER. Mr. President, there are Members absent from the Chamber who are engaged in other matters that are important, and for a variety of reasons it does not appear possible to proceed with the consideration of this resolution at the moment.

I ask unanimous consent that the Senate stand in recess until 11:30 a.m. today.

There being no objection, the Senate, at 11:06 a.m., recessed until 11:30 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DOMENICI).

RECESS UNTIL 11:45 A.M.

Mr. BAKER. Mr. President, the same circumstances that suggested the desirability of a recess earlier until 11:30 a.m. still obtain. It is unlikely that we are going to be able to do anything before 12 o'clock noon, but since there is a possibility we can and since there are certain Members I know of on this side of the aisle who are anxious to leave at 12 noon for another commitment off the floor, what I am about to do is to recess until 11:45 a.m. with the understanding if we need to recess longer than that we will.

But for the moment, Mr. President, I ask unanimous consent that the Senate stand in recess until 11:45 a.m. today.

There being no objection, the Senate, at 11:31 a.m., recessed until 11:45 a.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRESSLER).

RECESS UNTIL 12 NOON

Mr. BAKER. Mr. President, we are still not ready. That is what it boils down to. There are good reasons for this. A number of Senators are directly involved in these negotiations, the complex issues which must be resolved with respect to the next steps to be taken by the Senate.

Mr. President, I think it is not unreasonable to ask the Senate to stand in recess until 12 noon, which I now do.

There being no objection, the Senate, at 11:45 a.m., recessed until 12 noon; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GARN).

RECESS UNTIL 12:15 P.M.

Mr. BAKER. Mr. President, I regret to say that the principals involved in the debate need a little more time once again. I ask unanimous consent the Senate stand in recess until 12:15.

There being no objection, the Senate, at 12:01 p.m., recessed until 12:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. ARMSTRONG).

RECESS UNTIL 1 P.M.

Mr. BAKER. Mr. President, by way of advising the Senate on the current status of the situation, the minority Members of the Senate are at this moment in caucus, or about to go into caucus. I am advised by the minority leader that they will require approximately 45 minutes.

Therefore, I ask unanimous consent that the Senate stand in recess until 1 p.m.

There being no objection, the Senate, at 12:15 p.m., recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. GORTON).

RECESS UNTIL 1:20 P.M.

Mr. BAKER. Mr. President, it has been brought to my attention that the caucus of Democratic Members of the Senate is still in progress. I have received a request from that side to extend the recess for 15 minutes. Therefore, I ask unanimous consent that the Senate stand in recess until 1:20 p.m.

There being no objection, the Senate, at 1:01 p.m., recessed until 1:20 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. DURENBERGER).

Mr. BAKER. Mr. President, I believe the principals are now here and we are ready to proceed, and I see the manager of the bill, the chairman of the committee, is on deck.

It has been pointed out to me that for a variety of reasons not all related to time of debate, but in part related to the charging of that time for quorums and the like, there exists a substantial advantage of time in favor of the minority and against the majority.

I do not wish to preempt the chairman's position, but I wonder if I might inquire of the minority leader if there would be some disposition, now that we are coming to the home stretch, to move toward equalization of time for the remainder of time remaining?

The PRESIDING OFFICER. The minority leader.

Mr. BYRD. How much time remains on each side on the budget resolution?

The PRESIDING OFFICER. The Senator from New Mexico has 1 hour and 40 minutes and the Senator from Florida has 3 hours and 46 minutes.

Mr. BYRD. He has 2 hours and 6 minutes more than the Senator from New Mexico.

The Senator from Florida (Mr. CHILES) and I have discussed this with others and we are willing to yield 45 minutes of our time on the resolution to the majority.

Mr. BAKER. Very well.

Mr. President, I thank the Senator and I assume there is no further requirement for action by unanimous consent. The Senator may do that under the act.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I thank the minority. It is a very generous gesture and will expedite the proceedings at hand.

Mr. President, the pending question is the Domenici substitute, is it not?

The PRESIDING OFFICER. It is.

Mr. BAKER. We have spent a fair amount of time today not talking about the Domenici substitute, and I wonder if there is much reason to not talk about it much longer or if we can get on with a vote or some sort of thing on that amendment?

Mr. DOMENICI. Mr. Leader, from my standpoint might I first join you in thanking the distinguished minority leader and the distinguished Senator from Florida for yielding us 45 minutes to somewhat equalize the time.

Having said that, I am prepared, Mr. Leader, to yield back the remainder of my time on the Domenici substitute.

I had a request from Senator ABDNOR who wanted to speak for 1 minute.

Mr. ABDNOR. Mr. President, we are all well aware that this compromise budget resolution does not have overwhelming support from anyone, but it is the best concensus at which we can hope to arrive. As we all know, the President is not very satisfied with either the levels of defense spending or social spending which it contains. On the other hand, those who favor reducing the deficit through additional taxes are not totally satisfied either. Still, this alternative is both a reasonable and fiscally responsible version of a budget. It is my hope that it is something upon which we can agree.

The 7.5-percent figure for real growth in defense spending recognizes the serious situation we face in light of the massive Soviet military buildup of the last two decades. While this figure is entirely reasonable and defensible in its own right, the truth of the matter, as we all realize, is that whatever number we settle on will be our starting point when we go to conference with the House.

The House approved only a 2.3-percent increase. That means the final figure will be somewhere between the House and Senate figures. We should bear in mind that the President originally requested more than 10 percent in real terms.

It is interesting to note that the debate on defense spending has shifted significantly during the past 2 years. Hardly anyone in Congress is calling for defense cuts. The real debate involves how much of an increase should be granted. This indicates that Members of Congress understand the nature of the formidable threat facing this country.

As a more general rule, we would do well to keep in mind that whatever budget resolution this distinguished body finally approves will have to be taken to conference with the House. The resolution passed by that body threatens to destroy virtually every bit of progress achieved in recent years.

The House would raise social spending to the point that 97 percent of the

savings we have been able to make in social welfare programs in the last couple of years would be lost. This would be a huge step backward. Funding for many of these programs has actually been increasing, but the actions we have taken in the recent past have successfully slowed the rate of this increase from what it otherwise would have been.

To finance all of this extra spending, the House would raise taxes $315 billion over existing law for the next 6 years. That is $315 billion that would come straight out of the pockets of American workers who are trying to support their families. The massive taxes and huge deficits the House would have us approve so that we can return to the big-spender policies of the past is a prescription that is guaranteed to destroy economic recovery. The spending restraint Congress has shown in the last 2 years has finally instilled some confidence in the private sector of the economy. Whatever kind of resolution we pass here is going to have to be compromised with a House budget that would obliterate the confidence of the financial community so essential for a return to prosperity.

As far as total outlays are concerned, this substitute includes the savings achieved by the Senate Budget Committee. On the revenue side, however, it does away with the requirement that we somehow come up with some $30 billion in short order for fiscal 1984. Unless we succeed in modifying this mandate, it would seem that there are only a limited number of ways to make this money appear.

We can either increase existing taxes, impose new ones, repeal the third year of the tax cut, do away with indexing, or resort to a combination of some or all of these. While the desire to reduce the size of the massive Federal deficit is certainly admirable, in fact some of us have been voicing our concerns about deficits for years, these alternative ways of increasing revenues are simply not acceptable under current economic conditions.

The problem with adding new taxes or increasing the ones we have is that the American taxpayer is already taxed to the hilt. In recent months we have added a nickel to the gas tax and raised contributions to social security. If taxes are now raised even more, the standard of living of workers will decrease. Even more disturbing, many more Americans are going to find themselves without a job as the economy suffers distortions brought about by excessive taxation.

In recognition of the heavy burden on the taxpayer and on the economy as a whole, Congress passed the 3-year program of tax relief. The Nation now is beginning to reap the benefits of that action. Unemployment is on its way down, productivity is increasing, interest rates, although still too high, are at their lowest point in years, and this is all happening during a time when inflation is at a relative snail's pace. There still is a long way to go, and we should hesitate to change direction by junking the third-year cut at such an early stage of recovery.

The most serious mistake we could make, however, would be to eliminate or delay the indexing of personal income tax rates presently slated to begin January 1985. Dropping indexing would enable us to levy more taxes on the public without having to face them with the truth of what was happening. As a matter of fact, the lack of indexing is to a large extent responsible for the economic problems which are now confronting us. As long as we had rapid inflation as in the late sixties and all through the seventies, Congress did not need to raise taxes to increase revenues—it happened automatically as taxpayers who were making no more in terms of constant dollars nevertheless found themselves vaulted into higher tax brackets.

With such "painless taxes," and by that I mean painless only in the sense Members of Congress did not have to admit voting for tax increases, Congress did not have to control spending. Instead, a herd of new programs was set loose, and you can be sure the resulting backdoor tax increases have been plenty painful for the average American. Now this herd of new programs is threatening to trample us all in the form of huge deficits.

Doing away with indexing may be a short-term way to raise a few extra dollars, but it is also the best way to assure that we will soon return to the free-spending policies which got us into trouble in the first place.

The best way to deal with the serious deficit problem is through economic recovery which both increases revenues and cuts spending. But, the best way to kill economic recovery while still in its early stages is to tax it to death. The alternative resolution we are now considering avoids this serious mistake. All in all, it is a very workable and responsible approach to a very serious fiscal problem. I urge my colleagues to support it.

Mr. DOMENICI. Mr. President, I thank my friend. I might say with all the things that have been said about the substitute here, the Senator's words are very kind and I appreciate it.

I say to the distinguished Senator from Florida that I had one request from Senator TOWER, and we just want to check real quick to see if he still wishes to speak, if we could have a couple of minutes.

Mr. President, the request that the distinguished Senator from Texas (Mr. TOWER) made of me was on yesterday, and I understand that if he has a statement he will place it in the RECORD and, therefore, I have no further requests, and I am prepared to yield back my time that I have on the substitute, and I do so.

The PRESIDING OFFICER. The Senator from Florida has 58 minutes remaining.

Mr. CHILES. Mr. President, I had one request from the Senator from Oklahoma.

Mr. BOREN. Mr. President, this proposal before us will add $1,800,000,000 to the national debt between now and 1988. There is no way that my conscience will allow me to vote for it. Even the most elementary understanding of economics would lead one to conclude that deficits of this size will force such huge Government borrowing that interest rates will be pushed up and any fledging economic recovery will be choked off.

All of us know the facts. The argument in both the Democratic and Republican cloakrooms is, When will the interest rates be forced up? Politicians are wondering whether the interest rates will go up before or after the 1984 elections. They are not asking "if" it will happen but only "when" it will happen.

When will we stop playing politics? When will we try to stop pretending that deficits do not matter? When will we stop trying to fool the people by saying that we can write a responsible budget without affecting revenues, defense, or entitlement programs. We cannot exempt from consideration 100 percent of the income and 80 percent of the spending and still write a responsible budget.

We are underestimating the understanding and patriotism of the American people. They understand that deficits do matter. They know that without controlling the budget, there can be no real economic recovery. They are willing to make sacrifices as long as they are reasonable and are shared by all. Congress and the President, including members of both parties, are failing to provide the leadership which is now desperately needed.

The Hollings proposal and the Johnston-Nunn proposals for sharply reduced deficits brought about by a fairly distributed and shared sacrifice should be reconsidered by the President and by others who in the past have professed to be for balanced budgets.

DEFICITS, DEFICITS, DEFICITS

Mr. EAGLETON. Mr. President, in August 1981, we enacted the Kemp-Roth tax bill and instituted the era of Reaganomics. Today, as we vote on the 1984 budget, we are reaping the bitter harvest of that fundamentally flawed economic policy.

Today's and tomorrow's colossal deficits should come as no surprise. When you deplete Federal revenues by $1 trillion 1984-88 and massively in-

crease defense spending to $1.7 trillion 1984-88, you do not have to be a Price-Waterhouse accountant to see that you are creating a giant sea of red ink. Senator DOMENICI and Senator BAKER in their version of the budget anticipate accumulated deficits of $1,008 trillion from 1984 to 1988.

I remember the shock that ran through this place when President Carter submitted his fiscal year 1981 budget with a deficit of $16 billion. Imagine that—a $16 billion deficit from a President who had come to office on a pledge of balancing the budget.

We forthwith made him take that budget back. In fact, he submitted three budgets that year in an effort to calm the alarm that deficit figure was creating in Congress and in the financial markets.

I served on Majority Leader BYRD's task force which was charged with the painful duty of trying to bring the budget into balance. I think we did a respectable job, but the Iranian Revolution and the explosion of OPEC oil prices that followed undid most of our work. We finished the year with a $57 billion deficit and Ronald Reagan entered the White House.

Candidate Reagan told the American people he would balance the budget if not in 1983 then certainly in 1984.

Thus, when President Reagan submitted his version of the fiscal year 1982 budget, he projected the following deficit picture.

Fiscal year:	*Billions*
1982	−$45.0
1983	−23.0
1984	−+.5

Instead, we have the following:

Fiscal year:	*Billions*
1982	−$110
1983 (estimated)	−204
1984 (estimated)	−200
1985 (estimated)	−185

Put another way, Ronald Reagan in his term of office will add more than two-thirds as much to the national debt as all of his predecessor Presidents put together. The debt was $1 trillion when he began his term and it will be over $1.7 trillion when he completes it. Pretty neat trick from a man who used to balance the budget every night while he was on the General Electric banquet circuit.

Well, what is the significance of all this? Is it just a big numbers game that has no real meaning? Is this just another great American con job?

There is enormous significance, I submit. I will mention but two major consequences of all of this deficit business.

First. Aborting the recovery: With an economy as dead as ours, with factories, equipment, and people so terribly underutilized, the impact of these deficits will not be directly felt in 1983 and 1984. There is little risk of "crowding out" in 1983 and 1984 because businesses will not be massively in the credit markets in those years. But in 1985 and thereafter, you run the almost certain risk of crowding out galore.

Under the resolution before us, 65 percent of the investment capital in the Nation's capital markets will be absorbed by the Federal Government in 1983 just to cover the deficit. In 1984, it will be 57 percent, and 51 percent in 1985 if all goes well. But, how can all go well? What is left for business and industry to rebuild? What is left for housing? What is left for investment in all those high-tech industries the President says is our best hope to provide jobs?

In the past 25 years, Federal participation in the credit markets averaged only 20 percent. Today it is 38 percent, tomorow it will be 65 percent, and under this resolution it will be 51 percent in 1985 when business may want to do some very substantial borrowing.

When and if that occurs, interest rates will climb upward and we could be plummeted into yet another recession.

Second. Shackling the future: By creating an unending sea of big, bigger, and biggest deficits for the remainder of the decade of the eighties we are, by delayed paralysis, crippling future Congresses and future Presidents. Mandrake the Magician would have trouble working around this deficit stranglehold. Cutting the defense budget will be very hard with many new, expensive weapons cramming the pipeline. Entitlements will continue on their merry, uncontrolled way. If inflation returns, you will have the mad momentum of indexing causing expenditures to ratchet up and revenues to ratchet down.

The 1984 election will tell us whether Ronald Reagan or some Democrat is the political inheritor of the delayed miseries of Reaganomics. Whatever the electoral case may be, I perceive the inheritance to be a haunted legacy.

Mr. MITCHELL. Mr. President, I intend to vote against this budget resolution for the simple reason that it fails to meet the test of responsible budgeting.

The process of drafting a budget for fiscal year 1984 began in a bipartisan fashion in the Senate Budget Committee. There, Republicans joined Democrats in reporting out a budget that, while not perfect by most standards, represented a good start on a 1984 budget.

The most critical element of a 1984 budget is a demonstration of Congress intent to reduce Federal deficits, particularly after the economy recovers from the recession. According to most economists, it is the prospect of continuing massive deficits in the foreseeable future that is preventing interest rates from falling further. This prospect is making investors reluctant to commit funds at reasonable rates of interest. As long as interest rates remain at high levels, economic recovery will be weak. Consequently, the most important contribution that Congress can make to a sustained recovery is to show a serious commitment to reduce deficits in the next several years.

The bipartisan budget reported by the Budget Committee, although its deficits were still too high, achieved significant progress in reducing future deficits. The fiscal year 1988 deficit represented a 54-percent reduction from the deficit that would occur with no action. Furthermore, the 1988 deficit would have been 22 percent below that recommended by President Reagan. Thus, whatever the faults of the Budget Committee's resolution, it endorsed policies that would have substantially reduced deficits. Furthermore, the bipartisan nature of the budget would have given some assurance to the financial markets that these policies would have been implemented.

Rather than continue this bipartisan process, Senate Republicans retreated behind closed doors and drafted their own budget. This was necessary, not because the original budget was inadequate, but because some of its provisions were embarrassing to President Reagan.

Most budget analysts agree that recent congressional actions taken in defense spending and tax cuts are major factors in projected Federal deficits. By addressing these causes of high deficits, the Budget Committee's resolution was a responsible effort. Specifically, that budget scaled back future tax cuts, but retained those tax cuts that are already in place. The budget also moderated defense growth, which allows us to meet our security needs within our Nation's fiscal capacity. By achieving significant savings in these areas, this budget was able to reject the administration's proposals for further deep cuts in domestic programs.

The Republican substitute does not have this balance. While it retains the original budget recommendations for domestic programs, it reverses the savings in the defense and tax areas. Rather than engage in debate over the appropriate level for defense spending, Senate Republicans have engaged in a numbers game that is designed to save face for the President. A similar situation exists regarding revenues, where the question of the role that revenues can play in reducing deficits is overshadowed by the symbolic importance of the 1981 tax cut.

The inevitable consequence of these budget policies is massive deficits. The policies recommended by the Republi-

can budget will produce a 1988 deficit of $220 billion, which exceeds the committee budget deficit by 77 percent. This is exactly the wrong fiscal policy, if we want a stronger recovery. This budget sends a message to the financial markets that Congress, for political reasons, cannot agree on ways to reduce the deficit.

The Republican substitute attempts to paper over this defect in two ways. First, the budget presents forecasts for only 2 years, in order to avoid admitting to the consequences of its policies for the deficit. Second, language is included that states Congress intent to lower the deficit in future years.

This approach is wholly inadequate. It reinforces the attitude held by many in the financial community and in the public in general that Congress is unable to agree on specific measures to lower the deficit. Moreover, it reflects a misunderstanding of the task confronting Congress. What is needed is action to be taken now to reduce the deficit over the next several years, not a vague commitment to take action at some point in the future. Under the Republican substitute, those in business, labor, and the financial community must continue to deal with the uncertainty over future Federal budget policies.

In sum, this resolution is not a responsible answer to our economic and budgetary needs. I am hopeful that the conference with the House will produce a better budget plan.

Mr. TOWER. Mr. President, one of the continuing problems of American Government, a problem central to the debate in the Senate on this year's budget resolution, is the increasingly difficult time we seem to have in establishing a national policy course and staying on it. Americans are by nature impatient. This impatience has generally been an asset, for it has caused our people not to accept the status quo and to always work energetically to improve life in our country. But impatience when continually applied to basic national public policy tends to create only uncertainty; it tends to undermine confidence in our Government and in our economy.

For one of the few times in the last 20 years in the United States, Americans made a clear choice in 1980 when they elected a President about the direction in which this country should move. When they went to the polls just 2 years ago, a majority of Americans seemed to say these things:

First. We must insure our national security at any price.

Second. We must leave with each wage earner the maximum possible percentage of the money he or she earns. The strength of America has always assumed that people would have the broadest discretion in the use of their income, not that Government would confiscate unfairly large portions of income to spend for its own purposes.

Third. We can no longer afford to offer an excessively large range of domestic programs, though we will not compromise our obligations to elderly Americans, to the disabled, and to the most needy in our society.

This was a clear message. It was a message that set our country on a course, a course which in my view was thoughtful and prudent. The question before the Senate today as it debates this budget resolution is whether that course is right or whether a new direction is now needed. I am fervently of the opinion that the principles about government which dictated the outcome of the 1980 Presidential election are still the fundamental principles in the minds of most Americans. Thus, I believe that the Domenici-Baker amendment to this budget resolution more nearly reflects the aspirations and priorities of the American people than do the resolutions passed in the House or reported in the Senate, and I support the proposal of Senators DOMENICI and BAKER.

Let us look briefly at the course upon which we set in 1980, and at the benefits to the country which that national direction has achieved. First, we announced a commitment to upgrade our national defenses. We would modernize strategically and conventionally. We would improve readiness and sustainability. We would, for the first time in more than a decade, respond convincingly to a massive Soviet military buildup that had spanned 20 years. For we as a nation recognized that our forces in 1980 were not adequate to meet our obligations throughout the world.

For 2 years we stayed on this course. As a result, we are now in a better position to respond to conventional contingencies than we were when President Reagan took office. Moreover, we have undertaken an essential strategic modernization effort that is critical to insure our national security. As a result of this defense program, we may soon be in a position to have sufficient credibility with the Soviets to achieve meaningful arms control agreements. We are already achieving greater stability in weapons systems production and are driving down the unit costs of various programs. And finally, as we enhance our defenses, we are in a position to conduct foreign policy from a position of strength.

Second, the President proposed and the Congress adopted a significant plan for tax reduction. The last reduction in individual income tax rates will take effect on July 1. The Congress has also enacted tax provisions which will automatically index the tax rates to account for future inflation.

There are many who argue that this was an ill-conceived fiscal policy which has been unsuccessful. But look at the facts. Inflation is one-third what it was in the Carter administration. Interest rates have been cut in half. We have pulled out of a long, difficult recession and are seeing promising economic growth, including recoveries in major industrial sectors such as automobiles and homebuilding. The stock market is at an alltime high and has been setting new records almost daily. The undeniable lesson is that the fiscal policy of the last 2 years has created confidence among Americans in the country's economy, and that confidence is reflected by virtually every economic measurement.

Third, President Reagan proposed and the Congress adopted substantial reductions in domestic programs in 1981. The domestic programs which we cut were not essential governmental obligations; they were not solemn responsibilities to groups of Americans, such as social security or medicare. They were remnants of the so-called Great Society, remnants of an era when the conventional wisdom was that the Federal Government ought to solve every social problem. That view has reflected in the real growth of domestic expenditures, not counting interest on the national debt, by 200 percent from 1963 to 1983 while real growth in defense for this same period was only 18 percent.

The effect of these domestic program reductions has also been positive. These reductions have helped to hold down deficits. The reductions have limited the long-term obligations of the Federal Government and have signaled the public that we cannot look to Government to solve every individual's problem. There are some groups—the elderly, the handicapped—to whom Government has special obligations. But this country was built on self-reliance, not on governmental support for large groups of individuals with no special need.

These were the principles which dictated public policy for the last 2 years. They were and are sound principles which the American people endorsed in 1980 and which the American people, I deeply believe, continue to subscribe to.

But what do the budget resolutions passed in the House and reported in the Senate do? They move away from each of the basic principles of American policy we have followed since President Reagan was elected. They signal a shift in the direction of our country—a shift toward military inadequacy, toward confiscatory taxation, and toward unnecessary governmental spending. It is a shift that is not called for and that does not serve the interests of the country. I shall be disappointed if the Senate as a whole chooses to abandon a successful and consistent program of the last 2 years to move in different directions. And I

am pleased that the distinguished chairman of our Budget Committee and the distinguished majority leader have offered the Senate an alternative that keeps the country moving in the right direction.

How does the Domenici-Baker amendment keep the country on the course I have described? First, the amendment increases the defense budget ceiling by $8 billion in budget authority—from $267 billion in the committee-reported resolution to $275 billion under the amendment. This amount is still not fully adequate, but it is a material improvement and is generally consistent with our commitment to guaranteed national security. I testified at length before the Budget Committee on these matters on March 7 of this year and, therefore, will not take the Senate's time to review the points I made before the committee. I do ask unanimous consent that my statement from March 7 be inserted in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit No. 1.)

Mr. TOWER. Second, the amendment does not require a large increase in taxes for fiscal year 1984 and succeeding years, as the reported budget resolution does. That resolution would do away with the third year of tax reduction and stop indexing. This proposed tax increase could not come at a worse time. The economic recovery is just starting; for it to continue, a pickup in consumer spending must occur. According to many economists, a tax increase of this size will severely reduce consumer purchasing power and could stop the recovery dead in its tracks.

But economic performance in this country is based on at least one important factor which no econometrician can factor into his computer model. It is based on the confidence of Americans in the underlying strength of the economy, and that confidence is created and maintained when Americans believe that there is a consistent, sensible policy upon which they can rely. The confidence wanes when policy direction shifts, when promises are broken, and when national leaders seem not to be in control. Nothing could do more to destroy the confidence that Americans now have in the economy than to rescind a tax reduction which has been promised for 2 years. It is a reduction which consumers expect, which business has anticipated, and which the financial markets are responding to. If we renege on commitments about national tax policy, then those Senators who vote for these tax increases can have the responsibility for what the economy does.

Finally, what does the Senate-reported budget resolution do with domestic programs? In almost every category of domestic spending, it provides for increases above what President Reagan requested. In energy; natural resources and environment; agriculture; community and regional development; education, training, employment, and social services; health; income security; and veterans' benefits, the budget resolution exceeds the administation's proposal. At a time when we need to continue to limit governmental obligations, this is the wrong direction in which to move.

There is probably no decision which the Congress makes each year that is more important than the decision about the size and composition of the Federal budget. The budget is the summary expression of the priorities of the American people.

There are some Members of Congress who believe that the Federal Government should receive a larger percentage of individuals' income, that relatively small increases in defense spending are sufficient, and that major growth in domestic programs of all types is appropriate.

There are other Senators and Representatives who believe that we should leave more hard-earned dollars with people to spend in whatever way they choose, that our national defenses need substantial investment now, and that many domestic programs are nonessential and can be reduced or abandoned.

The resolution reported by the Budget Committee reflects the views of the first group. It does not reflect my views, nor, I think, the views of the American people. The American people experienced for too long the shortsighted fiscal policy reflected in the House-passed budget proposal and that reported in the Senate. That policy resulted in national double-digit inflation; it provided us with interest rates that reached 21.5 percent by 1980. That fiscal policy did not work then and it will not work now.

I would make one final point. There are some who say that the priorities that I and other Senators may establish are insensitive to human needs. Nothing could be less true. As I said previously, I do not know of a single Senator who would not honor our longstanding obligations under the social security program, under medicare, and under a series of other programs that have historically been obligations of our Government to those most in need.

But there are at least four reasons that many of us believe that a growing Federal domestic program effort is no longer prudent. First, we are in a period of severely limited Federal resources. We simply cannot do everything we might like to do if our revenues were greater.

Second, we need to be fair to all taxpayers. A family which has taxable income of $20,000 a year is already paying one-quarter of the next dollar of income to the Federal Government. When State and local tax obligations are added to this, we see that Americans who are not earning excessive amounts of money are paying more than one-third of their income in taxes. If we increase governmental obligations, then we will have to ask such Amerians to give up even more or their income.

Third, national security must be the first priority. Every other part of governmental activity becomes meaningless unless the long-term security of the United States against external threat is assured.

Fourth, more money is not necessarily the answer to many domestic problems. For example, a commission recently reported on substantial problems with American education. While I share the concerns of this commission, I am reasonably convinced as one who was formerly a college professor that more Federal spending on education is not going to solve the problem. In fact, we have spent increasingly larger amounts on education since 1960, and the problem has become increasingly more serious.

We have been on a course for the last 2 years—with respect to taxation, national defense, and national priorities—which is fundamentally sound and which ought to be continued. It is a course that reflects the view of the majority of Americans. If we pass the budget resolution now before us, we will have shifted course for no apparent reason and when there is no demand to do so. I hope that we will make a more responsible choice by adopting the Domenici-Baker amendment and enabling the country to continue on a policy course which I am convinced is sound and will produce the economic results we all want.

EXHIBIT No. 1

STATEMENT OF SENATOR JOHN TOWER BEFORE THE SENATE COMMITTEE ON THE BUDGET

[Charts and graphs not reproducible in RECORD.]

Good morning, Mr. Chairman. I appreciate the opportunity to present my personal views on the President's FY 84 request for National Defense.

When I appeared before this Committee last year, I indicated my belief that it would be a grave error to make near-term and long-term reductions in the President's proposed defense program. My convictions in this regard have only strengthened.

During the course of this hearing, I will review significant trends in the global situation and how our military forces are being used every day to support our foreign policy commitments. In addition, I will discuss the improvements which have recently been made in our defense posture, the magnitude of our outstanding requirements, and some recent changes in the economic situation which bear on our ability to fund our national security requirements.

These issues should be considered of fundamental importance to the Budget Com-

mittee as we assess our national priorities and our global responsibilities over the next five years.

CHANGES IN THE GLOBAL SITUATION

During the ten-year period which ended in 1980, the task of protecting U.S. worldwide interests became exceedingly more complex and demanding. The rapid expansion of Soviet military might during the decade of the 1970's put considerable pressure on U.S. allies in Europe and Asia and fundamentally altered the strategic nuclear balance. Challenges facing U.S. military forces were also magnified by growing international instability and the geographic expansion of threats to Western interests, often the result of Soviet or Soviet-inspired activity.

For example, in the 1970's, we saw Cubans involved in conflict in Angola and Ethiopia, the Vietnamese invasion of Kampuchea, and Soviets engaged in brutal warfare against the people of Afghanistan. In addition to these open conflicts, the Soviets moved aggressively to expand their influence in Syria, Iraq, South Yemen, and Libya. Moreover, Cuba revived its policy of supporting radical elements in the Western Hemisphere.

Since 1980, the destabilizing activities of the Soviets and their surrogates have not lessened. The world is certainly no more stable today than it was in 1980.

To date, the change in the Kremlin's leadership following the death of Leonid Brezhnev has not resulted in any alteration in the aggressive international behavior of the Soviet Union. The brutal warfare in Afghanistan continues as does Soviet repression in Poland. Most troubling has been the skill of Mr. Andropov to play upon the fears of West Europeans in an effort to divide the United States from her European allies.

Within the Western Hemisphere, there are many causes for concern. The insurgency in El Salvador is continuing. Nicaragua continues a military build-up unprecedented in the region and has initiated border clashes with Honduras.

Major events of the past year confirm the trends toward declining global stability. Three major conflcits occurred during this period: the battle over the Falkland Islands, the Israeli incursion into Lebanon, and the second phase of the Iran-Iraq war. While many lessons can be drawn from these conflicts—including the value of advanced technology weapons—the major conclusion is the continuing trend of nations to turn to military means to solve international disputes. The ongoing Iran-Iraq war is particularly troubling, given its potential to destabilize the entire, oil-rich Persian Gulf region.

There are a number of forces within the Middle East that remain a serious threat to U.S. interests. Key among these is Libya.

We have no reason to be complacent about the global situation. It is true that our economic problems are real and severe; they must be addressed. However, we must caution against a myopia about budget deficits which severely handicaps our ability to deal with some very serious international security issues. We cannot permit ourselves to be distracted from our global responsibilities, while the Soviets and their surrogates, facing their own economic problems, continue to pursue an aggressive foreign policy.

The global situation which I have described requires that the President have adequate foreign policy tools to meet the challenges that face Western security. Among these is an adequate foreign assistance program—both its military and economic components. However, one of the President's chief foreign policy tools is a capable military force. Essential to the value of this tool is the perception by our Allies and adversaries not only that the United States has the will to use these forces in support of its foreign policy objectives, but also that we can prevail should deterrence fail.

DEFENSE AS AN INSTRUMENT OF FOREIGN POLICY

In urging the Budget Committee to support the full range of foreign-policy related programs in FY 1984, I do not want to leave the impression that the United States has not responded to these crises or that our Armed Forces have been idle during the last twelve months. In fact, our forces have been quite active, both in response to international crises and in the pre-planned execution of operations and training in support of U.S. foreign policy.

For example, Figure 1 depicts naval operations during the two-month period from the end of September through November, 1982. During this period, eight of our fourteen carriers were at sea in support of U.S. policy. The scope of our global commitments required adjustments in the movement of carrier battle groups in every ocean to meet our commitment in Lebanon while fulfilling all other international obligations. This flexibility is not easily acquired or sustained. The Navy modified the deployments of seven carriers to place two on-station in the eastern Mediterranean Sea. The incremental cost of the Lebanon commitment in FY 1983, which will have to be absorbed through a decline in other operations or maintenance, is in excess of $100 million.

The pace of operations in the other Services is just as impressive. Funding approved by the Congress supports our foreign policy on a daily basis. Any decrease from the current level of effort is certain to have at least one of the following effects: a reduction of our ability to perform these same missions more efficiently in the future and to meet the projected threat; a reduction in our ability to support foreign policy objectives this year; or a reduction in the manpower and materiel support base necessary to carry out these operations.

If substantial "meat ax" reductions are to be made, we must first ask our civilian policy-makers which commitments they are prepared to compromise. It is unreasonable to ask the Services to give us a list enumerating any substantial cuts until we tell them which commitments, or which roles and missions assigned them by civilian authority, will now have a lower priority.

DEFENSE IMPROVEMENTS SINCE 1980

In 1980 there are serious concern among the American people that our military capability was rapidly declining relative to that of the Soviet Union. The American people were outraged that our defense posture had been neglected and permitted to deteriorate. In America, people understand well that a weak military or even a perception of weakness will undermine the very purpose of a strong military—namely, to deter aggression—and that such weakness will increase, not decrease, the likelihood of conflict. They were also angered that our military might not be able to prevail should deterrence fail. Let's look at what the state of our military was in 1980.

In late 1980, the readiness of U.S. forces was at an all-time post-war low. Personnel retention had become critical. The Army was short 515 infantry squads and 6,000 combat arms non-commissioned officers. Ships could not sail for lack of specialized personnel. The materiel readiness of our forces was also critical. Shortages of spare and repair parts restricted operations and training.

Across the entire range of military investment, the rate of modernization was too slow. Moreover, even the less than adequate levels of procurement proposed were underfunded. Through the unwillingness of previous administrations—both Republican and Democrat—to apply proper estimates to its budgets, the entire defense program was wracked by inflation.

Overall, our capabilities in 1980 were insufficient to meet our minimum peacetime requirements and the foreign policy crises of that period. More importantly, we had not laid a sufficient foundation for the improvements necessary to meet a more technically capable threat in the context of an increasingly unstable global environment.

Let's now look at the return on investment we have realized during the last two years.

Since 1980, the number of units reporting themselves fully or substantially combat-ready has increased by 30 percent. Personnel retention is still a serious long-term problem, but previous trends have been reversed. In 1982, nearly 70 percent of all eligible personnel chose to reenlist compared to only 55 percent two years earlier. Except for specialized areas, this problem is no longer critical. Materiel readiness is somewhat improved, and further improvements are in sight as the spare part investments of FY 1981 and FY 1982 reach the flight lines and storage bins.

The pace of modernization has increased, but not as much as desired. Inefficient rates of production can still be found in the modernization of tactical air and ground forces. In order to maintain the current inventory of tactical aircraft at an acceptable average age, we need to procure 603 aircraft every year. The FY 1984 request contains only 449.

Overall, our military capabilities are still short of requirements. However, in gross terms, improvements in capability will be achieved sooner than previously estimated.

We in Congress should feel good about these improvements. In most areas, the trends are clearly positive.

However, we cannot make up for over ten years of neglect in just two budget cycles. It is important to keep in mind the cumulative size of Soviet military investments built up over the years.

As indicated in the net assessment briefing we received last week, the gap between the military capital stocks of the United States and the Soviet Union, which is already considerable, will continue to widen in the Soviets' favor, even if the President's five-year plan is fully funded.

During the course of the President's current procurement plan, which is much maligned in Congress for being too ambitious, the Soviets will out-produce us: over 2-to-1 in tanks, 3-to-1 in armored vehicles, 8-to-1 in artillery and rocket launchers, 2-to-1 in tactical combat aircraft, 3-to-1 in major warships and submarines, and 2-to-1 in theater nuclear delivery systems.

It is this level of disparity which is, in large measure, responsible for unfavorable regional balances, such as that depicted for Europe in Figure 2.

In the total scheme of our geographic disadvantages, our social preferences for domestic programs, Soviet production rates, serious regional military imbalances, and a

very dynamic technological environment, I cannot stress enough the importance of maintaining our current modernization program.

Our adversaries are not standing still and, in fact, have achieved qualitative preeminence on the battlefield in many areas. Thus, the Army's modernization program is not only a response to a quantitatively superior threat, but to a qualitatively superior one as well. Figure 3 indicates that, by the end of this decade, the Army's introduction of new combat systems will reverse most of the qualitative, system-on-system disadvantages we now face. The outcome of any future conflict may be subject to debate; but the Congress should have confidence that, in both new doctrine and new systems, we are changing the character of the modern battlefield in ways that favor U.S. forces. Despite the complex engineering problems we constantly face in the development of high-quality weapon systems, technology is still our strong suit and we must exploit this advantage.

OUTSTANDING DEFENSE REQUIREMENTS

Let me turn to another issue of some concern in Congress—the absolute need for every program in the President's request.

This Committee has expressed its skepticism over Secretary Weinberger's vigorous defense of every dollar within his budget. We on the Armed Services Committee understand that skepticism. Every year, the authorizing and appropriating committees make literally hundreds of changes to the budget which result in net reductions from the Administration's request. We will continue to do so.

However, we must not confuse this microcosm of Congressional oversight with the larger issues of paramount importance in the budget process. In my judgment, every dollar in the President's defense program can be used to fulfill validated military requirements. Consider the scope and magnitude of the unmet defense requirements we still face.

Figure 4 indicates that, when the President's FY 1983-1987 five-year plan is finally delivered to the field (about 1991), and assuming it is totally funded, the Army will have achieved the following levels of its inventory objectives: 59% for tanks, 79% for self-propelled Howitzers, 69% for Light Armored Vehicles, 64% for personnel carriers and fighting vehicles, and 85% for five-and ten-ton trucks.

In the area of combat sustainability, Figure 5 shows that by about 1989, we will have on hand less than 80 percent of war reserve requirements for ammunition, only 70 percent of the requirement for tactical missiles, a full 96 percent of needed secondary items, but only 61 percent of the requirement for petroleum derivatives.

The acquisition cost of combat sustainability in these high consumption areas is estimated at $1 billion per day. The cost for major equipment reserves is, of course, much higher. In 1980, the Army's war reserve inventory for equipment was below ten days of supply. By the end of 1984, it will be over twenty days. This clearly represents progress, but we are not yet approaching acceptable levels of staying power.

Yes, there are places where defense can use every dollar it can get to meet longstanding deficiencies. But another factor of legitmate concern is the state of our economy.

ECONOMIC CONSIDERATIONS

It is apparent that many of our colleagues will make their decisions concerning the appropriate level for defense spending based on considerations other than those of national security. In the last few years, it has even become popular in certain quarters to equate reduced defense spending with increased economic health. Let's look at the facts.

Under the Administration's plan, defense spending will increase to about 31 percent of total federal unified budget outlays in 1988. This 31 percent share was exceeded each peacetime year from 1954 to 1972. During this period, both unemployment and the prime interest rate averaged about five percent.

Between 1979 and 1983, defense spending has average only 25 percent of federal outlays whiled unemployment averaged 8.1 percent and the prime rate 14.4 percent.

In trying to find the cause of high unemployment, high interest rates, and economic stagnation, defense per se is not the place to look.

In her testimony before the House Armed Services Committee, Alice Rivlin, Director of the Congressional Budget Office, concluded that:

"The Congress must ultimately determine the need for defense spending by weighing alternative uses of resources against the threats to U.S. national interests and resulting defense requirements. Clearly, the U.S. economy can support the defense build-up proposed by the Administration * * * Moreover, the economy can sustain the defense build-up with little risk of rekindling inflation, at least in the next few years, and no overall adverse effects on employment."

The only caveat offered by Mrs. Rivlin in this and other testimony has been the warning that growing Federal deficits could slow economic growth and rekindle inflation.

The Administration has heeded this warning by proposing a budget which, if approved, would cut the deficit (both in real terms and as a percentage of GNP) to less than half of the CBO baseline projection in 1988.

However, the Administration's budget has one major flaw—its overly pessimistic economic forecast. The most recent information available shows the leading economic indicators in January up 3.6 percent, the largest increase in 33 years. Durable goods, housing starts, and automobile production are all up.

I am not here to argue for a particular set of economic assumptions, but it seems apparent that the economy will recover more strongly, and deficits will probably be smaller than previously projected. To those Members who last December or January publicly committed themselves to make significant reductions in defense based on the most pessimistic economic forecasts, I ask you to reconsider your position. In my view, the Budget Committee should not be basing its mark-up materials on anything but the most recent economic forecasts.

In addition to the macroeconomic factors which may influence Members' views on defense spending, there is a microeconomic view. In anticipation of the defense cuts called for by so many Members, I recently sent a letter to each Senator asking that he or she provide me a list of those programs in his or her state that could be reduced without an adverse impact on national security. To date, I have received responses from only six Senators, whose recommendations would amount to reductions in their states totaling less than $200 million in fiscal year 1984 and only $1 billion over the next five years.

Wittingly or unwittingly, my colleagues—by opting not to respond to my letter—have sent all of us a message: First, that there is more Congressional support for defense than has been reported in the media; and second, once we put the political rhetoric aside, the vast majority of my colleagues recognize that defense spending provides a tangible economic benefit to their states. Put more succinctly, reductions in defense spending places at risk *Jobs* for constitutents in their states in a time of high unemployment. They obviously do not subscribe to the ludicrous assertion of a few that somehow it is higher defense that will impede ecomomic recovery.

ARBITRARY REAL GROWTH PATTERNS

It is obvious, Mr. Chairman, that economic considerations are driving Members of this Committee to simplistic and rather arbitrary solutions to a formidable national security problem.

In his March 1 letter to the Budget Committee, Secretary Weinberger has already indicated the fundamental problems associated with arbitrary and fixed percentages of real growth. I would only highlight some additional points which reinforce his conclusion.

Some have suggested that five percent real growth for defense would be a more appropriate level of effort. CBO has estimated that this would amount to a reduction in budget authority of $129 billion over the next five years. This is a considerable sum of money In fact, $129 billion is the equivalent size of one and one-half FY 1984 procurement budgets: more than 1,000 tanks, more than 600 tactical aircraft, and about 24 warships. Over a five-year period, the reductions each year may appear small to some, but they can represent real combat capabilities.

A more honest approach might suggest that we find less expensive substitutes for major systems. But in this case, military capabilities are sacrificed and "savings" quickly disappear.

As Figure 6 shows, if the Army's "big five" [1] were eliminated in FY 1984, the savings would amount to nearly $6 billion in budget authority. But if they were replaced by current substitutes, the net savings would be less than half that amount. Of course, I should also note that the newer systems are generally easier to maintain, are safer, and require less manpower to operate. In addition, the Army's air-land battle doctrine, of such special interest to many within the so-called reform movement, cannot be fully implemented unless supported by these new systems.

Finally, Mr. Chairman, I would like to clear the record concerning the joint hearing held by the Budget and Armed Services Committees on cost growth in the defense program. Much has been written about the role of Mr. Spinney's work in the so-called military reform movement. Unfortunately, a false connection has been made between Mr. Spinney's analysis and calls for reductions in defense.

Many have misinterpreted some significant conclusions contained in Mr. Spinney's testimony. Clearly, the authors of the recent Time Magazine article missed the mark. Unfortunately, I do not have time today to challenge the many erroneous assertions reflected in that article—particularly, the sophistication versus simplicity arguments. At least, however, let me summarize for you what Mr. Spinney said in his testi-

[1] M-1, M-2/3, Divad, Patriot, AH-64

mony before the Armed Services and Budget Committees ten days ago.

The hearing record indicates that it is Mr. Spinney's view that: (1) defense needs more dollars; (2) it is desirable to have a stable production environment; (3) increased production rates can be expected to drive down costs; (4) program stretch-outs cause costs to go up; and (5) reducing the defense budget would not cure cost growth problems—it would make things worse.

It is significant that these conclusions are similar to those of the service Secretaries and military Chiefs of Staff concerning the potential impact of significant reductions in the defense program.

Several Members of the Budget Committee, including you, Mr. Chairman, indicated that the Spinney report made a convincing case for the adverse effect that reductions in defense spending (particularly in the procurement accounts) would have on the cost of modernizing our forces.

SUMMARY

In the 1970's, our reason for not funding the required level for defense was a mood of anti-militarism. In 1983, the reason given by some is that we simply cannot afford it. Irrespective of the reason given in the 1970's or the reasons given today, the result is the same. While we slow down, the Soviets continue to expand, which in turn skews the military balance even further toward the Soviets.

Mr. Chairman, in key regions of the world where the United States has vital interests, our political-military situation is eroding. The demands on our foreign policy and national security establishment are increasing.

Continued long-term political competition with the Soviet Union is a virtual certainty. Military conflict, with either the Soviet Union or its proxies, cannot be ruled out.

At less than 7 percent of GNP and only 26 percent of federal outlays, the United States can afford this defense program—I know it, and I believe you know it.

We have made important progress in defense during the past two years. We must not falter, we must not weaken nor tire.

At his own momentary political peril, the President has chosen a prudent course for the rebuilding of our nation's defense. I stand with him.

There is no national security justification for doing less than he has asked.

FIGURE 4.—SELECTED ARMY EQUIPMENT OBJECTIVES AND INVENTORIES

	Objective		Inventory (end-fiscal year)			
	Long-range planning	End-fiscal year 1987 FDP [1]	On-hand	Projected		
			1982	1982 FDP [1]	1983 FDP [1]	1984 FDP [1]
Tanks, 105 mm	[2] 17,748	[2] 10,423	11,093	11,433	12,684	13,305
Self-propelled howitzers	4,188	3,315	2,978	3,249	3,249	3,361
Light armored vehicles	708	488	0	0	36	212
Carriers and fighting vehicles [3]	30,169	19,218	11,593	13,336	14,456	15,456
5 ton trucks	73,631	63,161	33,987	39,802	43,999	46,527
10 ton trucks	13,828	11,390	1,168	3,249	5,722	7,020

[1] Funded delivery period.
[2] Mixed tank fleet objective.
[3] Includes M113 and Bradley FVS (M-2 and M-3).
Source: DOD Force Readiness Report for fiscal year 1984, vol. 1.

FIGURE 5.—PERCENTAGE OF COMBAT SUSTAINABILITY REQUIREMENT ON-HAND AT END-FDP [1]

[In percent]

Item	Fiscal year—	
	1983 FDP [1]	1987 FDP [1]
Ammunition	40	79
Tactical missiles	39	70
Secondary items	42	96
All POL	59	61

[1] Funded delivery period.
Source: OSAD (MRA&L), OSD (PA&E).

Figure 6.—Comparative fiscal year 1984 costs of selected Army programs and potential substitutes

[In millions of dollars]

System:	*Budget authority*
M-1	$1,722
M-60A3 [1]	1,331
Difference	391
M-2/M-3	815
M-113	116
Difference	699
Divad	671
Pivads [1]	148
Difference	523
Patriot	1,212
Hawk [1]	906
Difference	306
AH-64	1,298
AH-1	615
Difference	683
Total:	
New Systems	5,718
Substitutes	3,116
Difference	2,602

[1] Systems out of production.

Mr. BYRD. Mr. President, for the second year in a row, the Senate is being asked to reject the budget resolution only recently reported by its own Budget Committee, and to give its approval instead to a hastily conceived Republican substitute written behind closed doors without consultation or so much as a passing concern for the views—or the votes—of the Democratic minority. Once again, the statutory deadlines established by the Budget Act have been pushed aside, so that the President, insistent upon a budget the priorities of which are not supported by a majority of the Congress, and his Republican colleagues in the Senate, can scramble to improvise a budget without regard to the traditional bipartisan process of open debate and deliberation. All the while, reports persist that at least some members of the administration and the Senate continue to argue for no budget at all, if they cannot prevail in winning the Senate over to support their own position.

I do not believe that this kind of process serves the best interests of either the Senate or of the country.

The Senate has a long and proud tradition of bipartisan debate and compromise. In the past, we have been successful in forging bipartisan solutions to pressing national questions. Until very recently, the history of the budget process in the Senate has been one of bipartisanship. But that spirit has been sorely missing from the budget debates of the last few years. The resultant budgets, in my view, have suffered grievously from its absence.

I cannot support the budget proposed by Senators DOMENICI and BAKER. The Domenici-Baker budget, with the blessings of the White House, would send the deficits soaring through the stratosphere. The deficits under this budget proposal would amount to a staggering $192.4 billion next year and would rise to $220 billion in fiscal year 1988. That is $306 billion more in deficit spending than would occur under the budget reported by the Senate Budget Committee. Deficits of this magnitude will send interest rates spiralling upward and threaten to abort the fragile economic recovery now underway.

The Domenici-Baker budget would increase the national debt by $1 trillion in just 5 years. That is more debt than the Republic accumulated in its first 205 years. It is indeed ironic that the party which was swept into the White House and control of the Senate in 1980 pledging a balanced budget would now propose a budget with the highest deficits in the history of the Republic.

This budget would have us mortgage our future, and the future of our children, in order to retain an unfair and unwise tax policy which we cannot afford.

The President's tax program has been grossly unfair to the average American taxpayer. To date, under the Reagan program, the tax liability of a family of four with a yearly income of $100,000 has been permanently slashed $3,454 a year. On the other hand, a family of four earning $20,000 a year has received an annual tax cut of only $300.

The tremendous inequities contained in the President's tax program would only be made worse if the scheduled final installment of the Reagan tax plan is allowed to go into effect.

The third-year tax cut contained in the President's rate-reduction program would permanently reduce the tax liability of a family of four with an income of $100,000 by a staggering $2,363 a year, or $11,840 over the next 5 years. In sharp contrast, a family of four earning $20,000 would receive a tax break of only $164 a year, or $820

over the next 5 years, from the President's third-year tax cut.

The central question now before the Congress is not whether taxes should be raised, but rather whether the American people are best served by continuing to cut taxes for the third year in a row in such an extreme and unfair manner at a time when the Federal deficit is skyrocketing out of control. Democrats believe it is time to call a halt to President Reagan's inequitable and discredited supply-side tax program. It is not fair and it has not worked. I recognize that it is not realistic to expect Congress to repeal the third year of the Reagan-Kemp-Roth tax program, given the President's often repeated threat to veto any such legislation. But I continue to hope that my Republican colleagues will listen to reason and heed the call of basic fairness by agreeing at least to put a cap on the amount of the tax cut which any one taxpayer can receive so that the lower- and middle-income people will get a full 10-percent tax cut, and so that no one would receive more than their fair share and so that the rich would no longer receive a windfall tax reduction far in excess of what the ordinary American taxpayer can receive.

Failure to modify the counterproductive Reagan tax program will virtually guarantee slow economic growth, high interest rates, high unemployment, and record budget deficits for the remainder of this decade. That is the heart of the argument over this budget. That is why I urge my colleagues to join me in voting against the Domenici-Baker budget.

Mr. CHILES. Mr. President, I know of no other requests for time on our side, so I will yield back the remainder of my time on the Domenici-Baker substitute. I move to table the substitute and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll to ascertain the presence of a quorum.

The bill clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE ON MOTION TO TABLE AMENDMENT NO. 1243

The PRESIDING OFFICER. The question is on agreeing to the motion of the Senator from Florida (Mr. CHILES) to table the amendment of the Senator from New Mexico (Mr. DOMENICI). The yeas and nays have been ordered and the clerk will call the roll.

The legislative clerk called the roll.

The PRESIDING OFFICER. Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 52, nays 48, as follows:

[Rollcall Vote No. 85 Leg.]

YEAS—52

Andrews	Ford	Mitchell
Baucus	Glenn	Moynihan
Bentsen	Hart	Nunn
Biden	Hatfield	Packwood
Bingaman	Hollings	Pell
Boren	Huddleston	Proxmire
Bradley	Inouye	Pryor
Bumpers	Jackson	Randolph
Burdick	Johnston	Riegle
Byrd	Kennedy	Sarbanes
Chafee	Lautenberg	Sasser
Chiles	Leahy	Stafford
Cranston	Levin	Stennis
DeConcini	Long	Tsongas
Dixon	Mathias	Weicker
Dodd	Matsunaga	Zorinsky
Eagleton	Melcher	
Exon	Metzenbaum	

NAYS—48

Abdnor	Grassley	Nickles
Armstrong	Hatch	Percy
Baker	Hawkins	Pressler
Boschwitz	Hecht	Quayle
Cochran	Heflin	Roth
Cohen	Heinz	Rudman
D'Amato	Helms	Simpson
Danforth	Humphrey	Specter
Denton	Jepsen	Stevens
Dole	Kassebaum	Symms
Domenici	Kasten	Thurmond
Durenberger	Laxalt	Tower
East	Lugar	Trible
Garn	Mattingly	Wallop
Goldwater	McClure	Warner
Gorton	Murkowski	Wilson

So the motion to lay on the table amendment No. 1243 was agreed to.

Mr. CHILES. Mr. President, I move to reconsider the vote by which the amendment was laid on the table.

Mr. METZENBAUM. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, will the manager of the resolution yield to me for a minute, please?

Mr. DOMENICI. I am pleased to yield to the distinguished majority leader.

Mr. BAKER. Mr. President, I do not know how many more amendments there will be, but there are a number of hours left on the resolution. I believe it is urgently important that we try to finish this matter one way or the other way. Let me advise Members, as I have already advised the minority leader, that I expect not to ask Members to stay longer than 6:30 p.m. today. I think we can finish, I hope we can finish by 6:30 p.m. If we do not finish by 6:30 p.m., it will be my intention to ask the Senate to continue with the consideration of this measure tomorrow.

Mr. BUMPERS. Will the majority leader yield for a parliamentary inquiry?

Mr. BAKER. Yes, I yield the floor, Mr. President.

Mr. BUMPERS. Mr. President, how much time is left?

The PRESIDING OFFICER. There are 5 hours and 22 minutes remaining.

Mr. BUMPERS. Would the majority leader yield for a question?

Mr. BAKER. Yes, Mr. President, I shall be happy to yield.

Mr. BUMPERS. Mr. President, the Chair has just said there are 5 hours and 20 minutes left on the resolution. Will it be the majority leader's intention to use all that time up today?

Mr. BAKER. Mr. President, I hope not. I hope we can finish well in advance of that time. I would like us to be able to get to final disposition of this measure, whatever that is.

Mr. BUMPERS. That will take us until 7:10 p.m., as I understand it.

Mr. BYRD. Not necessarily.

Mr. BAKER. That does not include rollcall votes, Mr. President.

Mr. DOMENICI. And quorum calls immediately preceding the votes.

AMENDMENT NO. 1262

Purpose: Revising the congressional budget for the United States Government for the fiscal year 1983 and setting forth the congressional budget for the United States Government for the fiscal years 1984, 1985, and 1986

Mr. WEICKER. Mr. President, on behalf of Senators CHAFEE, MATHIAS, HATFIELD, STAFFORD, and myself, I send an amendment to the desk and ask that it be stated.

Mr. DOMENICI. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order. The clerk will state the amendment.

The assistant legislative clerk read as follows:

The Senator from Connecticut (Mr. WEICKER), for himself and Mr. CHAFEE, Mr. MATHIAS, Mr. HATFIELD, and Mr. STAFFORD, proposes an amendment numbered 1262.

Mr. WEICKER. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

"That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1983 is hereby revised, the first concurrent resolution on the budget for fiscal year 1984 is hereby established, and the appropriate budgetary levels for fiscal years 1985 and 1986 are hereby set forth:

"(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1982, October 1, 1983, October 1, 1984, and October 1, 1985:

"(1) The recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $603,325,000,000.

"Fiscal year 1984: $670,300,000,000.

"Fiscal year 1985: $746,175,000,000.

"Fiscal year 1986: $812,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:

"Fiscal year 1983: +$125,000,000.
"Fiscal year 1984: +$14,900,000,000.
"Fiscal year 1985: +$22,675,000,000.
"Fiscal year 1986: +$34,000,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $35,900,000,000.
"Fiscal year 1984: $39,700,000,000.
"Fiscal year 1985: $44,200,000,000.
"Fiscal year 1986: $50,900,000,000.

and the amounts for Federal Insurance Contributions Act revenues and other revenues pursuant to Public Law 98-21 for old age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $148,500,000,000.
"Fiscal year 1984: $166,500,000,000.
"Fiscal year 1985: $187,700,000,000.
"Fiscal year 1986: $204,400,000,000.

"(2) The appropriate levels of total new budget authority are as follows:

"Fiscal year 1983: $875,925,000,000.
"Fiscal year 1984: $915,149,000,000.
"Fiscal year 1985: $985,524,000,000.
"Fiscal year 1986: $1,050,349,000,000.

"(3) The appropriate levels of total budget outlays are as follows:

"Fiscal year 1983: $807,325,000,000.
"Fiscal year 1984: $850,899,000,000.
"Fiscal year 1985: $915,224,000,000.
"Fiscal year 1986: $970,749,000,000.

"(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

"Fiscal year 1983: $204,000,000,000.
"Fiscal year 1984: $180,599,000,000.
"Fiscal year 1985: $169,049,000,000.
"Fiscal year 1986: $157,849,000,000.

"(5) The appropriate levels of the public debt are as follows:

"Fiscal year 1983: $1,383,900,000,000.
"Fiscal year 1984: $1,608,399,000,000.
"Fiscal year 1985: $1,828,148,000,000.
"Fiscal year 1986: $2,043,597,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

"Fiscal year 1983: $93,700,000,000.
"Fiscal year 1984: $224,499,000,000.
"Fiscal year 1985: $219,749,000,000.
"Fiscal year 1986: $215,449,000,000.

"(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1982, October 1, 1983, October 1, 1984, and October 1, 1985, are as follows:

"Fiscal year 1983:
"(A) New direct loan obligations, $55,400,000,000.
"(B) New loan guarantee commitments, $94,500,000,000.
"Fiscal year 1984:
"(A) New direct loan obligations, $48,200,000,000.
"(B) New loan guarantee commitments, $94,500,000,000.
"Fiscal year 1985:
"(A) New direct loan obligations, $48,100,000,000.
"(B) New loan guarantee commitments, $97,400,000,000.
"Fiscal year 1986:
"(A) New direct loan obligations, $48,700,000,000.
"(B) New loan guarantee commitments, $101,000,000,000.

"(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1983 through 1986 for each major functional category are:

"(1) National Defense (050):
"Fiscal year 1983:
"(A) New budget authority, $244,100,000,000.
"(B) Outlays, $214,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $270,700,000,000.
"(B) Outlays, $214,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $299,500,000,000.
"(B) Outlays, $272,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $331,500,000,000.
"(B) Outlays, $301,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(2) International Affairs (150):
"Fiscal year 1983:
"(A) New budget authority, $24,900,000,000.
"(B) Outlays, $11,500,000,000.
"(C) New direct loan obligations, $11,700,000,000.
"(D) New loan guarantee commitments, $9,200,000,000.
"Fiscal year 1984:
"(A) New budget authority, $18,200,000,000.
"(B) Outlays, $12,700,000,000.
"(C) New direct loan obligations, $11,200,000,000.
"(D) New loan guarantee commitments, $10,300,000,000.
"Fiscal year 1985:
"(A) New budget authority, $16,500,000,000.
"(B) Outlays, $12,800,000,000.
"(C) New direct loan obligations, $11,500,000,000.
"(D) New loan guarantee commitments, $10,300,000,000.
"Fiscal year 1986:
"(A) New budget authority, $15,900,000,000.
"(B) Outlays, $12,800,000,000.
"(C) New direct loan obligations, $11,600,000,000.
"(D) New loan guarantee commitments, $10,300,000,000.
"(3) General Science, Space, and Technology (250):
"Fiscal year 1983:
"(A) New budget authority, $7,900,000,000.
"(B) Outlays, $7,700,000,000.
"(C) New direct loan obligations, $200,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $8,500,000,000.
"(B) Outlays, $8,200,000,000.
"(C) New direct loan obligations, $37,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $8,500,000,000.
"(B) Outlays, $8,500,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $8,400,000,000.
"(B) Outlays, $8,400,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(4) Energy (270):
"Fiscal year 1983:
"(A) New budget authority, $4,000,000,000.
"(B) Outlays, $4,600,000,000.
"(C) New direct loan obligations, $13,100,000,000.
"(D) New loan guarantee commitments, $200,000,000.
"Fiscal year 1984:
"(A) New budget authority, $3,900,000,000.
"(B) Outlays, $4,100,000,000.
"(C) New direct loan obligations, $13,900,000,000.
"(D) New loan guarantee commitments, $200,000,000.
"Fiscal year 1985:
"(A) New budget authority, $3,600,000,000.
"(B) Outlays, $2,900,000,000.
"(C) New direct loan obligations, $14,300,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $3,200,000,000.
"(B) Outlays, $2,700,000,000.
"(C) New direct loan obligations, $14,400,000,000.
"(D) New loan guarantee commitments, $0.
"(5) Natural Resources and Environment (300):
"Fiscal year 1983:
"(A) New budget authority, $12,500,000,000.
"(B) Outlays, $12,800,000,000.
"(C) New direct loan obligations, $100,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $12,000,000,000.
"(B) Outlays, $12,500,000,000.
"(C) New direct loan obligations, $27,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $12,200,000,000.
"(B) Outlays, $12,600,000,000.
"(C) New direct loan obligations, $27,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $12,5000,000,000.
"(B) Outlays, $12,200,000,000.
"(C) New direct loan obligations, $27,000,000.
"(D) New loan guarantee commitments, $0.
"(6) Agriculture (350):
"Fiscal year 1983:
"(A) New budget authority, $24,200,000,000.
"(B) Outlays, $24,000,000,000.
"(C) New direct loan obligations, $18,600,000,000.
"(D) New loan guarantee commitments, $5,500,000,000.
"Fiscal year 1984:
"(A) New budget authority, $11,600,000,000.

"(B) Outlays, $11,400,000,000.
"(C) New direct loan obligations, $12,100,000,000.
"(D) New loan guarantee commitments, $3,800,000,000.
"Fiscal year 1985:
"(A) New budget authority, $14,000,000,000.
"(B) Outlays, $12,300,000,000.
"(C) New direct loan obligations, $11,700,000,000.
"(D) New loan guarantee commitments, $3,800,000,000.
"Fiscal year 1986:
"(A) New budget authority, $13,200,000,000.
"(B) Outlays, $13,100,000,000.
"(C) New direct loan obligations, $12,200,000,000.
"(D) New loan guarantee commitments, $3,800,000,000.
"(7) Commerce and Housing Credit (370):
"Fiscal year 1983:
"(A) New budget authority, $5,200,000,000.
"(B) Outlays, $2,700,000,000.
"(C) New direct loan obligations, $6,500,000,000.
"(D) New loan guarantee commitments, $48,700,000,000.
"Fiscal year 1984:
"(A) New budget authority, $5,900,000,000.
"(B) Outlays, $1,800,000,000.
"(C) New direct loan obligations, $6,400,000,000.
"(D) New loan guarantee commitments, $48,700,000,000.
"Fiscal year 1985:
"(A) New budget authority, $6,500,000,000.
"(B) Outlays, $0.
"(C) New direct loan obligations, $6,300,000,000.
"(D) New loan guarantee commitments, $48,700,000,000.
"Fiscal year 1986:
"(A) New budget authority, $6,500,000,000.
"(B) Outlays, −$300,000,000.
"(C) New direct loan obligations, $6,300,000,000.
"(D) New loan guarantee commitments, $48,700,000,000.
"(8) Transportation (400):
"Fiscal year 1983:
"(A) New budget authority, $26,800,000,000.
"(B) Outlays, $22,100,000,000.
"(C) New direct loan obligations, $200,000,000.
"(D) New loan guarantee commitments, $1,100,000,000.
"Fiscal year 1984:
"(A) New budget authority, $27,700,000,000.
"(B) Outlays, $25,900,000,000.
"(C) New direct loan obligations, $100,000,000.
"(D) New loan guarantee commitments, $600,000,000.
"Fiscal year 1985:
"(A) New budget authority, $28,400,000,000.
"(B) Outlays, $26,900,000,000.
"(C) New direct loan obligations, $100,000,000.
"(D) New loan guarantee commitments, $400,000,000.
"Fiscal year 1986:
"(A) New budget authority, $29,200,000,000.
"(B) Outlays, $27,800,000,000.
"(C) New direct loan obligations, $100,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"(9) Community and Regional Development (450):
"Fiscal year 1983:
"(A) New budget authority, $8,300,000,000.
"(B) Outlays, $7,900,000,000.
"(C) New direct loan obligations, $2,100,000,000.
"(D) New loan guarantee commitments, $500,000,000.
"Fiscal year 1984:
"(A) New budget authority, $6,600,000,000.
"(B) Outlays, $8,100,000,000.
"(C) New direct loan obligations, $1,700,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1985:
"(A) New budget authority, $7,100,000,000.
"(B) Outlays, $8,200,000,000.
"(C) New direct loan obligations, $1,800,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1986:
"(A) New budget authority, $7,100,000,000.
"(B) Outlays, $7,600,000,000.
"(C) New direct loan obligations, $1,800,000,000.
"(D) New loan guarantee commitments, $400,000,000.
"(10) Education, Training, Employment, and Social Services (500):
"Fiscal year 1983:
"(A) New budget authority, $28,000,000,000.
"(B) Outlays, $26,800,000,000.
"(C) New direct loan obligations, $600,000,000.
"(D) New loan guarantee commitments, $6,500,000,000.
"Fiscal year 1984:
"(A) New budget authority, $31,800,000,000.
"(B) Outlays, $27,250,000,000.
"(C) New direct loan obligations, $700,000,000.
"(D) New loan guarantee commitments, $6,600,000,000.
"Fiscal year 1985:
"(A) New budget authority, $28,500,000,000.
"(B) Outlays, $28,400,000,000.
"(C) New direct loan obligations, $700,000,000.
"(D) New loan guarantee commitments, $6,600,000,000.
"Fiscal year 1986:
"(A) New budget authority, $28,500,000,000.
"(B) Outlays, $28,400,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $6,600,000,000.
"(11) Health (550):
"Fiscal year 1983:
"(A) New budget authority, $25,325,000,000.
"(B) Outlays, $29,825,000,000.
"(C) New direct loan obligations, $47,000,000.
"(D) New loan guarantee commitments, $200,000,000.
"Fiscal year 1984:
"(A) New budget authority, $32,749,000,000.
"(B) Outlays, $32,749,000,000.
"(C) New direct loan obligations, $29,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1985:
"(A) New budget authority, $35,724,000,000.
"(B) Outlays, $35,224,000,000.
"(C) New direct loan obligations, $28,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1986:
"(A) New budget authority, $37,849,000,000.
"(B) Outlays, $37,249,000,000,
"(C) New direct loan obligations, $28,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"(12) Medical Insurance (570):
"Fiscal year 1983:
"(A) New budget authority, $46,100,000,000.
"(B) Outlays, $53,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $61,400,000,000.
"(B) Outlays, $60,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $69,400,000,000.
"(B) Outlays, $68,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $79,100,000,000.
"(B) Outlays, $75,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(13) Income Security (600):
"Fiscal year 1983:
"(A) New budget authority, $121,700,000,000.
"(B) Outlays, $110,200,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $14,600,000,000.
"Fiscal year 1984:
"(A) New budget authority, $126,000,000,000.
"(B) Outlays, $104,100,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $14,700,000,000.
"Fiscal year 1985:
"(A) New budget authority, $127,500,000,000.
"(B) Outlays, $105,500,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $16,500,000,000.
"Fiscal year 1986:
"(A) New budget authority, $131,400,000,000.
"(B) Outlays, $108,600,000,000.
"(C) New direct loan obligations, $500,000,000.
"(D) New loan guarantee commitments, $18,100,000,000.
"(14) Social Security (650):
"Fiscal year 1983:
"(A) New budget authority, $184,100,000,000.
"(B) Outlays, $167,600,000,000.
"(C) New direct loan obligations,, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $174,900,000,000.
"(B) Outlays, $177,100,000,000.

"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $194,700,000,000.
"(B) Outlays, $188,400,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $211,000,000,000.
"(B) Outlays, $200,800,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(15) Veterans Benefits and Services (700):
"Fiscal year 1983:
"(A) New budget authority, $25,200,000,000.
"(B) Outlays, $24,500,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $8,000,000,000.
"Fiscal year 1984:
"(A) New budget authority, $25,700,000,000.
"(B) Outlays, $25,700,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $9,000,000,000.
"Fiscal year 1985:
"(A) New budget authority, $26,800,000,000.
"(B) Outlays, $26,400,000,000.
"(C) New direct loan obligations, $699,000,000.
"(D) New loan guarantee commitments, $10,500,000,000.
"Fiscal year 1986:
"(A) New budget authority, $27,300,000,000.
"(B) Outlays, $26,700,000,000.
"(C) New direct loan obligations, $700,000,000.
"(D) New loan guarantee commitments, $12,500,000,000.
"(16) Administration of Justice (750):
"Fiscal year 1983:
"(A) New budget authority, $5,200,000,000.
"(B) Outlays, $5,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $6,000,000,000.
"(B) Outlays, $6,000,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $5,800,000,000.
"(B) Outlays, $5,900,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $5,900,000,000.
"(B) Outlays, $5,000,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(17) General Government (800):
"Fiscal year 1983:
"(A) New budget authority, $5,600,000,000.
"(B) Outlays, $5,700,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $5,700,000,000.
"(B) Outlays, $5,700,000,000
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $6,000,000,000.
"(B) Outlays, $5,000,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $6,200,000,000.
"(B) Outlays, $5,900,000,000
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(18) General Purpose Fiscal Assistance (850):
"Fiscal year 1983:
"(A) New budget authority, $6,400,000,000.
"(B) Outlays, $6,400,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $7,100,000,000.
"(B) Outlays, $7,000,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $7,200,000.000.
"(B) Outlays, $7,100,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $7,500,000.000.
"(B) Outlays, $7,500,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"(19) Net Interest (900):
"Fiscal year 1983:
"(A) New budget authority, $87,600,000.000.
"(B) Outlays, $87,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $96,000,000.000.
"(B) Outlays, $96,000,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $104,400,000.000.
"(B) Outlays, $104,400,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $108,400,000.000.
"(B) Outlays, $108,400,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(20) Allowances (920):
"Fiscal year 1983:
"(A) New budget authority, $800,000.000.
"(B) Outlays, $900,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $600,000,000.
"(B) Outlays, $600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $1,900,000,000.
"(B) Outlays, $2,000,000.000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986
"(A) New budget authority, $3,200,000,000.
"(B) Outlays, $3,400,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(21) Undistributed Offsetting Receipts (950):
"Fiscal year 1983:
"(A) New budget authority, −$18,000,000,000.
"(B) Outlays, −$18,000,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, −$17,900,000,000.
"(B) Outlays, −$17,900,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, −$18,700,000,000.
"(B) Outlays, −$18,700,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, −$23,500,000,000.
"(B) Outlays, −$23,500,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.

"RECONCILIATION

"SEC. 2. (a) Not later than June 6, 1983, the Senate committees named in subsections (b) through (f) of this section shall submit their recommendations to the Senate Committee on the Budget and not later than June 6, 1983, the House committees named in subsections (g) through (l) of this section shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

"SENATE COMMITTEES

"(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as the achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,243,000,000 in budget authority and $1,243,000,000 in outlays in fiscal year 1984; $1,332,000,000 in budget authority and $1,332,000,000 in outlays in fiscal year 1985; and $1,327,000,000 in budget authority and $1,327,000,000 in outlays in fiscal year 1986.

"(c)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $856,000,000 in fiscal year 1984; to reduce outlays by $2,024,000,000 in fiscal year 1985; and to reduce outlays by $2,484,000,000 in fiscal year 1986.

"(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $14,900,000,000 in fiscal year 1984; $22,675,000,000 in fiscal year 1985; and $34,000,000,000 in fiscal year 1986.

"(d) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $258,000,000 and outlays by $534,000,000 in fiscal year 1984; to reduce budget authority by $368,000,000 and outlays by $834,000,000 in fiscal year 1985; and to reduce budget authority by $636,000,000 and outlays by $1,486,000,000 in fiscal year 1986.

"(e) The Senate Committee on Small Business shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $139,000,000 in budget authority and $287,000,000 in outlays in fiscal year 1984; $555,000,000 in budget authority and $466,000,000 in outlays in fiscal year 1985; and $544,000,000 in budget authority and $443,000,000 in outlays in fiscal year 1986.

"(f) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $202,000,000 and outlays by $201,000,000 in fiscal year 1984; to reduce budget authority by $117,000,000 and outlays by $115,000,000 in fiscal year 1985; and to reduce budget authority by $118,000,000 and outlays by $118,000,000 in fiscal year 1986.

"HOUSE COMMITTEES

"(g) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,243,000,000 in budget authority and $1,243,000,000 in outlays in fiscal year 1984; $1,332,000,000 in budget authority and $1,332,000,000 in outlays in fiscal year 1985; and $1,327,000,000 in budget authority and $1,327,000,000 in outlays in fiscal year 1986.

"(h) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $816,000,000 in fiscal year 1984; to reduce outlays by $1,538,000,000 in fiscal year 1985; and to reduce outlays by $1,979,000,000 in fiscal year 1986.

"(i) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $258,000,000 and outlays by $534,000,000 in fiscal year 1984; to reduce budget authority by $368,000,000 and outlays by $834,000,000 in fiscal year 1985; and to reduce budget authority by $636,000,000 and outlays by $1,486,000,000 in fiscal year 1986.

"(j) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $139,000,000 in budget authority and $287,000,000 in outlays in fiscal year 1984; $555,000,000 in budget authority and $466,000,000 in outlays in fiscal year 1985; and $544,000,000 in budget authority and $443,000,000 in outlays in fiscal year 1986.

"(k) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $202,000,000 and outlays by $201,000,000 in fiscal year 1984; to reduce budget authority by $117,000,000 and outlays by $115,000,000 in fiscal year 1985; and to reduce budget authority by $118,000,000 and outlays by $118,000,000 in fiscal year 1986.

"(l)(1) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $849,000,000 in fiscal year 1984; to reduce outlays by $1,481,000,000 in fiscal year 1985; and to reduce outlays by $2,077,000,000 in fiscal year 1986.

"(2) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $14,900,000,000 in fiscal year 1984; $22,675,000,000 in fiscal year 1985; and $34,000,000,000 in fiscal year 1986.

"MISCELLANEOUS PROVISIONS

"SEC. 3. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

"(1) new budget authority for fiscal year 1984; or

"(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1984,

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

"SEC. 4. It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit the on-budget new direct loan obligations of the Federal Government to an amount not to exceed $37,600,000,000 in fiscal year 1983 and $29,300,000,000 in fiscal year 1984; off-budget new direct loan obligations to an amount not to exceed $17,800,000,000 in fiscal year 1983 and $18,900,000,000 in fiscal year 1984; and new loan guarantee commitments to an amount not to exceed $94,500,000,000 in fiscal year 1983 and $94,500,000,000 in fiscal year 1984. It is further the sense of the Congress that the President and the Congress should limit total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $16,200,000,000 in fiscal year 1983 and $17,300,000,000 in fiscal year 1984, and Federal Financing Bank purchases of certificates of beneficial ownership from Federal agencies to $11,500,000,000 in fiscal year 1983 and $13,200,000,000 in fiscal year 1984. It is further the sense of the Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

SEC. 5. (a) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon the first section of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations and new loan guarantee commitments for fiscal year 1983 and fiscal year 1984, among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new obligations and commitments.

"(b) As soon as practicable after this resolution is agreed to, every committee of each House, after consulting with the committee or committees of the other House to which all or part of the allocation has been made, shall subdivide among its subcommittees the allocation of new direct loan obligations and new loan guarantee commitments for fiscal year 1983 and fiscal year 1984, allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

"SEC. 6. It is the sense of the Congress that the budgets of Federal agencies initiating Federal Financing Bank purchases of certificates of beneficial ownership and originations of guaranteed loans should include the budget authority and outlays resulting from the transactions. The Congress recommends that the committees with jurisdiction over the Federal Financing Bank Act of 1973 consider expeditiously legislation to require that the budgetary impact of such Federal Financing Bank transactions be included in the budgets of the initiating agencies beginning with the fiscal year 1985 budget.".

Mr. WEICKER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

Mr. WEICKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. (Mr. GRASSLEY), Without objection, it is so ordered.

Who yields time?

Mr. WEICKER. Mr. President, I rise to speak on behalf of the amendment offered——

Mr. STENNIS. Mr. President, will the Senator yield? May we have order, Mr. President? This is an important matter.

The PRESIDING OFFICER. The Senator from Mississippi has raised a point of order. We are reconvened to consider the Weicker amendment, and Senator WEICKER deserves the attention of the Senate.

The Senator from Connecticut.

Mr. WEICKER. I thank my distinguished colleague from Mississippi.

I rise to speak on behalf of the amendment offered by Senators CHAFEE, HATFIELD, MATHIAS, STAFFORD, and myself. As is customary at this time of year, the Senate is awash with budget numbers, and many Members find themselves looking for dry land.

What this amendment provides is a positive middle ground between the Budget Committee's numbers and those offered by its able chairman, Senator DOMENICI, and the distinguished majority leader, the so-called Republican substitute.

In origin, this, too, is a Republican substitute, but one we sincerely believe addresses serious and widespread bipartisan concerns about correct numbers for defense, deficits, and domestic spending.

(Mr. KASTEN assumed the chair.)

Mr. WEICKER. This amendment is a compromise but a compromise in the best sense of the word. To begin with, ours is the only alternative which incorporates the three budget amendments which the full Senate has passed to date, adding funds for education, health care for the unemployed, and prenatal care for low-income mothers. As such it demonstrates this body's continued commitment to health care and educational opportunity for all Americans, especially those hardest hit by the economic recession.

Second, the amendment offers a middle way on defense spending. The Budget Committee's resolution advocates a 5-percent real growth for 1984. The Domenici-Baker substitute came in at 7.5 percent, and we propose a 6-percent real increase for 1984, 5 percent for 1985 and 1986. This spending level would allow us to compensate for the no-growth years in the seventies, without yielding to the temptation to throw money at every weapons system that comes down the pike.

Instead, we seek to encourage the administration to come up with a clear set of spending priorities within which the Congress can work.

While we are on the subject of priorities, our amendment assumes that the greater share of reductions from the President's request will come from the accounts of hardware rather than readiness.

On the revenue side of our compromise, we advocate a moderate revenue increase of $14.9 billion in 1984, $22.7 billion in 1985, and $34 billion in 1986.

We allow the Finance Committee considerable elbow room within which to achieve these goals.

Our amendment would cut the Federal deficit by about $30 billion more over the course of the next 2 years than would the Domenici-Baker substitute.

A final word on deficits: once upon a time officials within this administration made a career out of preaching balanced budgets. These days the subject is barely accorded a passing reference in a 60-minute speech.

I am no believer in the balanced budget as the great panacea, but I know that big deficits are dangerous, and recovery can only come through the private sector. It can only come through people building and buying homes, buying automobiles and other consumer goods, and if the Federal Government continues to crowd borrowers out of the credit markets to the tune of $200 billion a year, recovery will never come. What will come will be interest rates, the likes of which we have never seen before. Two years of high interest rates have already helped to put thousands of small concerns out of business and millions of Americans out of work.

So when we are talking about the budget and its bottom line we are really talking about people, their lives and their futures. That is why I strongly urge my colleagues to support this compromise amendment. It is not just an exercise in numbers crunching. It has the needs and aspirations of all Americans in mind.

I realize the difficulties that confront all of us, certainly the difficulties that confront this Senator and my colleagues within our party, and the difficulties that confront my colleagues on the other side of the aisle in terms of what they perceive as being political opportunity.

But it seems to me there comes a time when partisanship is set aside and we at least make some attempt to do what is right for the constituency that we serve, in this instance the entire Nation.

Now, the bottom line is the fact that there are 12 million people out of work and theirs is a terrible tragedy. It seems to me, each one of the 100 in this Chamber owe it to that 12 million to get them back on the job as fast as possible.

The bottom line—and I can speak personally to this, as chairman of the Small Business Committee—is that you had in 1981, 50 percent more bankruptcies than in 1980 and in 1982, 50 percent more than in 1981 of small businesses' doors closed forever.

The fact is, as chairman of the Appropriations Subcommittee that handles the health care and education of this Nation, in terms of the effect of this recession on the poor in the sense of health care, it is devastating. We had testimony from the commissioner of health from the city of Philadelphia the other day and their infant mortality rate has gone up to 27 per thousand. There are just a few hospitals serving those that are indigent, seeing the mothers that come in for the first time, if you will, at the time of delivery and, yes, lives are being lost. Now, that is the situation while we continue this debate in the Senate.

I think everybody has made their point and there will probably be more to be made in the hours and the days ahead. But let us get on with this business. Let us put a budget together.

There is no way this is going to pass except with both Democratic and Republican votes. We all know that. There has been considerable moderation of the amendment which I have before the body at this time due to the wishes of other Members on this side. And I am sure there are ideas relative to this matter that emanate from the Democratic side.

But let us put the budget together and let us get on with the entire constitutional process, because the only people that are paying right now are the ones that are out of work, the ones that are being hurt in the sense of their education, being hurt in the sense of health care, and the businesses that are closing, et cetera. Everybody can sit on their prerogatives until kingdom come, but nobody is hurting in this Chamber. They are on the streets of America.

The President is not going to get his way, not as far as this Republican is concerned, but neither should the Democrats get their way. What we want is a way which, in effect, discharges our obligations to an entire constituency. And they do not give a damn whether they are Republicans or Democrats, they are human beings.

Mr. METZENBAUM. Will the Senator from Connecticut yield for a question?

Mr. WEICKER. I yield to my good friend from Ohio.

Mr. METZENBAUM. Mr. President, would my good friend from Connecticut be kind enough to indicate some of the specifics that we use around here? What are the defense numbers—not the numbers specifically—but what are the percentages? What economic assumptions are being made? What are the revenue increases that are provided for? And any other pertinent data of that kind, I believe, would help in the debate.

Mr. WEICKER. I would say to my friend from Ohio—and he is just that, and has been over the years—I will be very brief in my reply, because I only have a few minutes left and there are other Senators that want to talk on behalf of the proposal.

In the defense, the real increase is 6 percent, 5 percent, and 5 percent. On the matter of increased revenues, the increased revenues are $14.9 billion, $22.7 billion, and $34 billion over the 3-year span. And it includes those matters we have already passed, the Hollings-Stafford amendment, the Dole amendment, and the Cranston amendment. All of them are included in this bill.

Mr. METZENBAUM. What economic growth assumptions are made?

Mr. WEICKER. The same as the budget resolution.

Mr. President, I yield at this time to the distinguished Senator from Rhode Island, Senator CHAFEE.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. CHAFEE. Mr. President, the proposition that is on the floor today, in effect a substitute for the committee resolution, as has been mentioned, would leave the nondefense spending amounts intact. It would include, as the Senator from Connecticut mentioned, the Stafford-Hollings education amendment, the Dole health benefits amendment, and the Cranston-Hatfield medicare amendment.

On defense, as has been mentioned, it would increase the real rate of growth in defense spending to 6 percent for fiscal year 1984 and the following years at 5 percent each.

On revenues, as the Senator from Connecticut mentioned, it would be $14 billion additional in 1984, $22 billion in 1985, and $34 billion in 1986.

Like all compromises, this does not represent what everybody would like. It does not go as far in reducing the budget deficits as some would like. However, it is obvious that in this Chamber there are a good number of people who feel that the budget resolution figures, as far as revenue goes, are too steep and the only way they can be achieved is through getting rid of the third-year tax cut and indexing, getting rid of both of those for which there is good deal of support in this Chamber. So this is indeed a compromise.

Now, let me also say, Mr. President, that there has been some suggestion that we may not even have a budget resolution. Certainly I do not subscribe to that and it is safe to say that none of the sponsors of this amendment wish to do away with the budget resolution. They want a budget resolution. I just believe very strongly that a budget resolution has been a salutary instrument during the appropriations process as far as holding down spending and, indeed, achieving savings in the operations of our Government.

Mr. President, what really is driving us, as has been touched on here earlier, is the concern over the deficits. The deficits that are projected under the President's budget are really very, very significant. There is no way for us to overlook those. They are in the neighborhood of $200 billion in 1984 and very close to that, just a few billion dollars less than that, in 1985, and then they hover in the same area in the outyears.

So, Mr. President, I hope that we could all get behind this resolution and support it. There may be some changes presented, perhaps there will be, and perhaps those will go on to further support this suggestion that we have before the Chamber today. However, whatever it is, I think that they point in the same direction of the significant factor that is driving my interest in this process, Mr. President, in seeing a decline in the deficits in the outyears. True, I would like to achieve them in 1984 and in 1985 in more significant proportions than has been addressed here. But certainly in 1986 and 1987, we have to have something significant out there.

I was one of those who voted to table the Domenici resolution, primarily because that did not, in my judgment, address in 1984 or 1985 the deficits significantly enough, or in 1986. Of course, that was left a question mark.

Let me just say one final word regarding the deficits. These, of course, are larger in dollar terms and relative to the size of the economy than anything we have known since the end of World War II. I would hope that we could start this direction of bringing those down.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield such time to the distinguished Senator from Ohio as he might desire.

The PRESIDING OFFICER. Is the Senator from Florida yielding time off the resolution?

Mr. CHILES. I am yielding time off of the amendment.

The PRESIDING OFFICER. The time on the amendment is controlled by the Senator from Connecticut and the Senator from New Mexico.

Mr. DOMENICI. I yield to the distinguished Senator from Ohio.

Mr. METZENBAUM. I thank the Senator from New Mexico.

Mr. President, I rise to address myself to this issue, not as an advocate of the amendment nor as an opponent of the amendment, But it is fair to say that I intend to vote for the amendment.

However, I do not rise for that purpose. I rise to address myself to my colleagues on the floor of the Senate as to the question of responsibility of this body to come up with a budget proposal.

Frankly, Mr. President, I am very disturbed when I read the report of the action that we just took a little bit ago defeating the Baker-Domenici proposal, when the report comes over the wire service that "a Reagan spokesman said yesterday that the President would rather have no budget at all than have Congress tamper with the tax cut, the third slice of the 25 percent approved on his urging in 1981."

Mr. President, I think this body has a statutory obligation, but beyond its statutory obligation, I believe it has a far greater obligation, to come up with a budget proposal. I think to do less than that would be irresponsible on our part. I think it would send the wrong message to the marketplace as far as this country is concerned and the marketplace throughout the world.

I am concerned also that my friends on the other side are also talking at this time that the majority leadership on that side "conceded for the first time that the Senate might be so deadlocked over the budget fight that it might be unable to produce a spending and revenue plan for 1984 because of the continuing family feud among the Senate Republicans."

Mr. President, I just think that is illogical. I think it is ill-considered. I do not think it will reflect well upon this body if we fail to come up with a budget. But in all fairness, I think much of the responsibility must be laid at the President's doorstep because the President who ran for office and promised this Nation that there would be a balanced budget is now saying that he is more concerned about protecting some future tax cut than he is about balancing the budget.

It is an accepted fact now that the deficits in the 4 years of this administration will pretty much equal the entire deficits that were accumulated over the history of this Nation. But having said that, do we not have any further concern at the White House about balancing the budget? We only talk about tax cuts. As a matter of fact, this is the same President who has already tripled telephone taxes, doubled the cigarette taxes, added a nickel to the gasoline tax, wants to add another 12 cents to the gasoline tax, and wants to add another 5-percent surcharge. But he is talking about not raising taxes. Well, he has already raised taxes.

The question is whether we are going to be responsible, whether the President of the United States is going to be responsible. Nobody is really talking about raising taxes. The most that anybody has talked about on the floor of this Senate or in the Congress is repealing some of the tax cuts that are talked about for tomorrow, not raising taxes. It is a totally different kettle of fish.

I just want this body to understand. I am not sure whether the Chafee, Weicker, Stafford, Hatfield, and Mathias amendment is the right answer. I voted for the budget resolution when it came out of committee, and I must say that I do not buy everything that is in it. I would have accepted a smaller defense number. I would be willing to have a substantially higher revenue number. If we would close some tax loopholes, we would indeed have that.

But sometimes we have to make a compromise in order to do that which we are obligated to do as U.S. Senators, whether we are Republicans or Democrats. We are supposed to have a sense of responsibility, and the Presi-

dent of the United States is supposed to have a sense of responsibility and not just make another speech about not raising taxes.

I commend the five who have offered this proposal, and I understand that the Senator from Washington has a proposal that he intends to offer if this does not pass. If it is what I expect it to be, I would expect to vote for that.

I would say that those voices that are being raised at this moment saying that we do not need a budget are not being responsible. That, in my opinion, is the height of irresponsibility.

We can fight about how much the defense figures ought to be, we can fight about what the revenue numbers ought to be, we can argue about what the domestic spending numbers ought to be, but if we have no solution at all, if we turn our backs on our responsibility and think we are playing a cute game of politics, we are not being the kind of Senators that the people of this Nation think they have representing them in the city of Washington.

Mr. RANDOLPH. Will my colleague yield?

Mr. METZENBAUM. I yield.

Mr. RANDOLPH. The Senator just made a very important statement and I believe in what he said. That is the reason I interrupted. In any corporate structure of this country, those officials of the company act on a budget, do they not?

Mr. METZENBAUM. They certainly do.

Mr. RANDOLPH. They do. And so the Federal Government, through the Congress, with those advisers within the committee structure, we do less than we should do. There is really a proper condemnation that would fall upon us if we fail to act as the Senator indicated we should act.

Mr. METZENBAUM. I very much appreciate those remarks from my good friend from West Virginia, he being a Member of Congress who has served longer than any other Member of Congress. His remarks are particularly relevant as to the responsibilities of a Member of the Congress.

Mr. President, I know there are others who wish to be heard. I thank you.

Mr. WEICKER. I yield to the distinguished Senator from Washington.

The PRESIDING OFFICER. The Senator from Washington.

Mr. GORTON. Mr. President, I intend now to discuss a modification to the amendment by the distinguished Senator from Rhode Island and to ask his acceptance of that modification to the amendment which is before us at the present time.

Mr. President, we are in the very last hours and moments of this extended debate over a budget resolution. If one fact is clear, it is that every proposal before us has been an orphan, an orphan with almost no claim to parentage whatsoever.

It has been extremely easy for Members on both sides of the aisle to point out the defects in all of the proposals which we have discussed, but that clarity has not led us any closer to a solution.

The proposal of my close friend and distinguished colleague, the Senator from New Mexico, has been tabled.

The proposal reported by the Budget Committee, with reservations by many of its members, cannot possibly get anything like a sufficient number of votes to be adopted.

A single proposal which I felt to be most responsible, that of the Senator from Louisiana (Mr. JOHNSTON), which had the lowest budget deficits of all, was overwhelmingly defeated, having received only 13 votes.

It is my sincere hope that with this modification I can present something to my colleagues which, while it will not satisfy any of them, myself included, at least will meet the minimum goals of the great majority of the Members of this body and can represent something from which we can move forward to the next and very difficult process of a conference with the House of Representatives.

Briefly described, this modification changes nothing in respect to the domestic spending programs outlined in the Chafee amendment, which, in turn, changes nothing from the figures which have been adopted by this body in the course of its debate over the last 2 weeks.

This amendment changes very slightly the numbers for national defense: 6 percent real growth in 1984, 5.5 percent in 1985, and 5 percent thereafter. It therefore represents a compromise between the lower figures proposed by the Budget Committee, the higher figures proposed by the Senator from New Mexico, and the almost identical figures proposed by my distinguished colleague from the State of Washington (Mr. JACKSON). It differs somewhat more significantly from the present amendment in respect to revenues in an attempt, as difficult as it may be, to bridge the deepest gap, the greatest chasm, between Members of the U.S. Senate, among themselves, and with the President of the United States. It does that in this way:

We propose tax increases or revenue increases in fiscal year 1984 of just under $8 billion, of just under $14 billion in fiscal year 1985, and of approximately $51 billion in fiscal year 1986.

My colleagues will notice that the very large increase in revenues takes place more than 2 years from now in this modification. In that respect, it follows the philosophy outlined as long ago as January by the President of the United States, who firmly has taken the position that to increase taxes at the beginning stages of a recovery would be counterproductive and might significantly harm the recovery. That Presidential position, however, recognizes the extreme dangers of huge $200 billion budget deficits for extended periods in the future and, therefore, recognizes the necessity to deal with those in part, at least, by revenue increases in years beginning with fiscal year 1986. My figures are those of the President, modified only by actions in respect to revenues which this body has essentially already taken.

What, now, would this result in from the point of view of budget deficits? The deficits in each year of this proposal are less than those of the Domenici amendment, which was tabled a little earlier today. As compared with the Chafee amendment, they are $1 to $3 billion higher in 1984 and 1985 as a result of lower taxes, but considerably, quite sharply, lower in the years beginning in 1986.

They show, therefore, if we accept the Congressional Budget Office's projections, budget deficits of $184 billion in 1984, gradually declining to $182 billion in 1988. If we accept the high-growth projections which all of us hope will be attained and so expect to be attained with a responsible budget, those deficits go from $146 billion in 1984 to relatively small deficits, likely below $50 billion, by 1988. They, therefore, will send an appropriate signal to the people of the United States and to the financial markets of the United States that we are indeed concerned about budget deficits, that we do recognize that high growth with relatively low inflation rates and increasing employment are not consistent with huge, almost $200 billion budget deficits from now to infinity while, at the same time, recognizing that this year is not an appropriate time not only not to have substantial tax increases, but even to cancel tax increases which are, in effect, already in place.

I must confess, of course, that this does not satisfy anybody here. It is not a proposal I would make could I pass a budget on my own that I think would be desirable, and I suspect I speak for 99 other Members as well in making that statement. But for those who feel high deficits are the most important disease to cure, this helps. It helps more than even the Chafee amendment at the present time and more than the President's budget.

For those who feel that we must cut the growth rate of spending in many programs, this helps, because, of course, it includes a fairly substantial reconciliation in a number of entitlement spending areas.

For those who wish to protect many or most Federal spending programs, it helps, because it appears to them to be

more reasonable than the proposals of the U.S. President.

For those who are concerned that we have cut too deeply into national defense, it helps as against the resolution proposed by the Senate Budget Committee.

In connection with the most controversial of all of the issues—taxes—it helps because it begins to bridge the gulf between those here. I and many others believe that at the very least, we ought to promise at some time in the future to pay for what we spend. At the same time, it allows those of us who are very concerned about the preservation of tax indexing and the third year of the tax cut to preserve those matters. Those who oppose them or want some changes in them have enough flexibility here to win that battle if, indeed, they can win it on the floor of the Senate. I preferred the proposal by Senator JOHNSTON, but it lost. I preferred the proposal by the Senator from New Mexico, but it lost.

There are all kinds of reasons to vote against this proposal. You can vote against it because you think it spends too much on defense or too little, that it has too many taxes or too few, that it spends too much or too little. You can defend a negative vote to any of your constituents, because each of you is articulate enough to do so.

There is only one reason to vote for it. That is that we are required by the law to have a budget resolution and we are required by our responsibilities to our constituents to have a responsible budget resolution, one which is consistent with economic growth, one which is consistent with low inflation, one which is consistent with jobs for the people of the United States. It may be difficult to explain a "yes" vote, but I submit to my colleagues that a "yes" vote is the only responsible way in which to go at this point in this debate in this budget year with this budget resolution.

I thank the Senator from Connecticut.

Mr. WEICKER. Mr. President, I wonder if the distinguished Senator from Washington would provide me with a copy of the changes.

Mr. GORTON. Yes, Mr. President.

Mr. WEICKER. Having reviewed these earlier in detail, Mr. President, I might add, they are acceptable to the sponsors of the amendment.

Mr. President, I sent a modification of our amendment to the desk.

The PRESIDING OFFICER. The Senator has the right to modify his amendment. The amendment is so modified.

The amendment No. 1262, as modified, follows:

S. CON. RES. 27

Strike out after the resolving clause and insert in lieu thereof the following: "That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1983 is hereby revised, the first concurrent resolution on the budget for fiscal year 1984 is hereby established, and the appropriate budgetary levels for fiscal years 1985 and 1986 are hereby set forth:

"(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1982, October 1, 1983, October 1, 1984, and October 1, 1985:

"(1) The recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $603,325,000,000.

"Fiscal year 1984: $664,300,000,000.

"Fiscal year 1985: $736,175,000,000.

"Fiscal year 1986: $829,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:

"Fiscal year 1983: +$125,000,000.

"Fiscal year 1984: +$8,900,000,000.

"Fiscal year 1985: +$12,675,000,000.

"Fiscal year 1986: +$51,000,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $35,900,000,000.

"Fiscal year 1984: $39,700,000,000.

"Fiscal year 1985: $44,200,000,000.

"Fiscal year 1986: $50,900,000,000.

and the amounts for Federal Insurance Contributions Act revenues and other revenues pursuant to Public Law 98-21 for old age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $148,500,000,000.

"Fiscal year 1984: $166,500,000,000.

"Fiscal year 1985: $187,700,000,000.

"Fiscal year 1986: $204,400,000,000.

"(2) The appropriate levels of total new budget authority are as follows:

"Fiscal year 1983: $875,925,000,000.

"Fiscal year 1984: $911,899,000,000.

"Fiscal year 1985: $986,074,000,000.

"Fiscal year 1986: $1,052,709,000,000.

"(3) The appropriate levels of total budget outlays are as follows:

"Fiscal year 1983: $807,325,000,000.

"Fiscal year 1984: $848,699,000,000.

"Fiscal year 1985: $914,574,000,000.

"Fiscal year 1986: $972,369,000,000.

"(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

"Fiscal year 1983: $204,000,000,000.

"Fiscal year 1984: $184,399,000,000.

"Fiscal year 1985: $178,399,000,000.

"Fiscal year 1986: $142,469,000,000.

"(5) The appropriate levels of the public debt are as follows:

"Fiscal year 1983: $1,383,900,000,000.

"Fiscal year 1984: $1,612,199,000,000.

"Fiscal year 1985: $1,841,298,000,000.

"Fiscal year 1986: $2,041,367,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

"Fiscal year 1983: $93,700,000,000.

"Fiscal year 1984: $228,299,000,000.

"Fiscal year 1985: $229,099,000,000.

"Fiscal year 1986: $200,069,000,000.

"(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1982, October 1, 1983, October 1, 1984, and October 1, 1985, are as follows:

"Fiscal year 1983:

"(A) New direct loan obligations, $55,400,000,000.

"(B) New loan guarantee commitments, $94,500,000,000.

"Fiscal year 1984:

"(A) New direct loan obligations, $48,200,000,000.

"(B) New loan guarantee commitments, $94,500,000,000.

"Fiscal year 1985:

"(A) New direct loan obligations, $48,100,000,000.

"(B) New loan guarantee commitments, $97,400,000,000.

"Fiscal year 1986:

"(A) New direct loan obligations, $48,700,000,000.

"(B) New loan guarantee commitments, $101,000,000,000.

"(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appropriate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1983 through 1986 for each major functional category are:

"(1) National Defense (050):

"Fiscal year 1983:

"(A) New budget authority, $244,100,000,000.

"(B) Outlays, $214,300,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $270,650,000,000.

"(B) Outlays, $242,600,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $300,950,000,000.

"(B) Outlays, $272,550,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $333,060,000,000.

"(B) Outlays, $302,420,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(2) International Affairs (150):

"Fiscal year 1983:

"(A) New budget authority, $24,900,000,000.

"(B) Outlays, $11,500,000,000.

"(C) New direct loan obligations, $11,700,000,000.

"(D) New loan guarantee commitments, $9,200,000,000.

"Fiscal year 1984:

"(A) New budget authority, $18,200,000,000.

"(B) Outlays, $12,700,000,000.

"(C) New direct loan obligations, $11,200,000,000.

"(D) New loan guarantee commitments, $10,300,000,000.

"Fiscal year 1985:

"(A) New budget authority, $16,500,000,000.

"(B) Outlays, $12,800,000,000.

"(C) New direct loan obligations, $11,500,000,000.

"(D) New loan guarantee commitments, $10,300,000,000.

"Fiscal year 1986:

"(A) New budget authority, $15,900,000,000.

"(B) Outlays, $12,800,000,000.

"(C) New direct loan obligations, $11,600,000,000.

"(D) New loan guarantee commitments, $10,300,000,000.

"(3) General Science, Space, and Technology (250):

"Fiscal year 1983:

"(A) New budget authority, $7,900,000,000.

"(B) Outlays, $7,700,000,000.

"(C) New direct loan obligations, $200,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $8,500,000,000.

"(B) Outlays, $8,200,000,000.

"(C) New direct loan obligations, $37,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $8,500,000,000.

"(B) Outlays, $8,500,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $8,400,000,000.

"(B) Outlays, $8,400,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(4) Energy (270):

"Fiscal year 1983:

"(A) New budget authority, $4,000,000,000.

"(B) Outlays, $4,600,000,000.

"(C) New direct loan obligations, $13,100,000,000.

"(D) New loan guarantee commitments, $200,000,000.

"Fiscal year 1984:

"(A) New budget authority, $3,900,000,000.

"(B) Outlays, $4,100,000,000.

"(C) New direct loan obligations, $13,900,000,000.

"(D) New loan guarantee commitments, $200,000,000.

"Fiscal year 1985:

"(A) New budget authority, $3,600,000,000.

"(B) Outlays, $2,900,000,000.

"(C) New direct loan obligations, $14,300,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $3,200,000,000.

"(B) Outlays, $2,700,000,000.

"(C) New direct loan obligations, $14,400,000,000.

"(D) New loan guarantee commitments, $0.

"(5) Natural Resources and Environment (300):

"Fiscal year 1983:

"(A) New budget authority, $12,500,000,000.

"(B) Outlays, $12,800,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $12,000,000,000.

"(B) Outlays, $12,500,000,000.

"(C) New direct loan obligations, $27,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $12,200,000,000.

"(B) Outlays, $12,600,000,000.

"(C) New direct loan obligations, $27,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $12,500,000,000.

"(B) Outlays, $12,200,000,000.

"(C) New direct loan obligations, $27,000,000.

"(D) New loan guarantee commitments, $0.

"(6) Agriculture (350):

"Fiscal year 1983:

"(A) New budget authority, $24,200,000,000.

"(B) Outlays, $24,000,000,000.

"(C) New direct loan obligations, $18,600,000,000.

"(D) New loan guarantee commitments, $5,500,000,000.

"Fiscal year 1984:

"(A) New budget authority, $11,600,000,000.

"(B) Outlays, $11,400,000,000.

"(C) New direct loan obligations, $12,100,000,000.

"(D) New loan guarantee commitments, $3,800,000,000.

"Fiscal year 1985:

"(A) New budget authority, $14,000,000,000.

"(B) Outlays, $12,300,000,000.

"(C) New direct loan obligations, $11,700,000,000.

"(D) New loan guarantee commitments, $3,800,000,000.

"Fiscal year 1986:

"(A) New budget authority, $13,200,000,000.

"(B) Outlays, $13,100,000,000.

"(C) New direct loan obligations, $12,200,000,000.

"(D) New loan guarantee commitments, $3,800,000,000.

"(7) Commerce and Housing Credit (370):

"Fiscal year 1983:

"(A) New budget authority, $5,200,000,000.

"(B) Outlays, $2,700,000,000.

"(C) New direct loan obligations, $6,500,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"Fiscal year 1984:

"(A) New budget authority, $5,900,000,000.

"(B) Outlays, $1,800,000,000.

"(C) New direct loan obligations, $6,400,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"Fiscal year 1985:

"(A) New budget authority, $6,500,000,000.

"(B) Outlays, $0.

"(C) New direct loan obligations, $6,300,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"Fiscal year 1986:

"(A) New budget authority, $6,500,000,000.

"(B) Outlays, −$300,000,000.

"(C) New direct loan obligations, $6,300,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"(8) Transportation (400):

"Fiscal year 1983:

"(A) New budget authority, $26,800,000,000.

"(B) Outlays, $22,100,000,000.

"(C) New direct loan obligations, $200,000,000.

"(D) New loan guarantee commitments, $1,100,000,000.

"Fiscal year 1984:

"(A) New budget authority, $27,700,000,000.

"(B) Outlays, $25,900,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $600,000,000.

"Fiscal year 1985:

"(A) New budget authority, $28,400,000,000.

"(B) Outlays, $26,900,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $400,000,000.

"Fiscal year 1986:

"(A) New budget authority, $29,200,000,000.

"(B) Outlays, $27,800,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $300,000,000.

"(9) Community and Regional Development (450):

"Fiscal year 1983:

"(A) New budget authority, $8,300,000,000.

"(B) Outlays, $7,900,000,000.

"(C) New direct loan obligations, $2,100,000,000.

"(D) New loan guarantee commitments, $500,000,000.

"Fiscal year 1984:

"(A) New budget authority, $6,600,000,000.

"(B) Outlays, $8,100,000,000.

"(C) New direct loan obligations, $1,700,000,000.

"(D) New loan guarantee commitments, $300,000,000.

"Fiscal year 1985:

"(A) New budget authority, $7,100,000,000.

"(B) Outlays, $8,200,000,000.

"(C) New direct loan obligations, $1,800,000,000.

"(D) New loan guarantee commitments, $300,000,000.

"Fiscal year 1986:

"(A) New budget authority, $7,100,000,000.

"(B) Outlays, $7,600,000,000.

"(C) New direct loan obligations, $1,800,000,000.

"(D) New loan guarantee commitments, $400,000,000.

"(10) Education, Training, Employment, and Social Services (500):

"Fiscal year 1983:

"(A) New budget authority, $28,000,000,000.

"(B) Outlays, $26,800,000,000.

"(C) New direct loan obligations, $600,000,000.

"(D) New loan guarantee commitments, $6,500,000,000.

"Fiscal year 1984:

"(A) New budget authority, $31,800,000,000.

"(B) Outlays, $27,250,000,000.

"(C) New direct loan obligations, $700,000,000.

"(D) New loan guarantee commitments, $6,600,000,000.

"Fiscal year 1985:

"(A) New budget authority, $28,500,000,000.

"(B) Outlays, $28,400,000,000.

"(C) New direct loan obligations, $700,000,000.

"(D) New loan guarantee commitments, $6,600,000,000.

"Fiscal year 1986:

"(A) New budget authority, $28,500,000,000.

"(B) Outlays, $28,400,000,000.

"(C) New direct loan obligations, $800,000,000.

"(D) New loan guarantee commitments, $6,600,000,000.

"(11) Health (550):

"Fiscal year 1983:

"(A) New budget authority, $25,325,000,000.
"(B) Outlays, $29,825,000,000.
"(C) New direct loan obligations, $47,000,000.
"(D) New loan guarantee commitments, $200,000,000.
"Fiscal year 1984:
"(A) New budget authority, $32,749,000,000.
"(B) Outlays, $32,749,000,000.
"(C) New direct loan obligations, $29,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1985:
"(A) New budget authority, $35,724,000,000.
"(B) Outlays, $35,224,000,000.
"(C) New direct loan obligations, $28,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1986:
"(A) New budget authority, $37,849,000,000.
"(B) Outlays, $37,249,000,000.
"(C) New direct loan obligations, $28,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"(12) Medical Insurance (570):
"Fiscal year 1983:
"(A) New budget authority, $46,100,000,000.
"(B) Outlays, $53,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $61,400,000,000.
"(B) Outlays, $60,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $69,400,000,000.
"(B) Outlays, $68,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $79,100,000,000.
"(B) Outlays, $75,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(13) Income Security (600):
"Fiscal year 1983:
"(A) New budget authority, $121,700,000,000.
"(B) Outlays, $110,200,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $14,600,000,000.
"Fiscal year 1984:
"(A) New budget authority, $126,000,000,000.
"(B) Outlays, $104,100,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $14,700,000,000.
"Fiscal year 1985:
"(A) New budget authority, $127,500,000,000.
"(B) Outlays, $105,500,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $16,500,000,000.
"Fiscal year 1986:
"(A) New budget authority, $131,400,000,000.
"(B) Outlays, $108,600,000,000.
"(C) New direct loan obligations, $500,000,000.
"(D) New loan guarantee commitments, $18,100,000,000.
"(14) Social Security (650):
"Fiscal year 1983:
"(A) New budget authority, $184,100,000,000.
"(B) Outlays, $167,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $174,900,000,000.
"(B) Outlays, $177,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $194,700,000,000.
"(B) Outlays, $188,400,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $211,000,000,000.
"(B) Outlays, $200,800,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(15) Veterans Benefits and Services (700):
"Fiscal year 1983:
"(A) New budget authority, $25,200,000,000.
"(B) Outlays, $24,500,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $8,000,000,000.
"Fiscal year 1984:
"(A) New budget authority, $25,700,000,000.
"(B) Outlays, $25,700,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $9,000,000,000.
"Fiscal year 1985:
"(A) New budget authority, $26,800,000,000.
"(B) Outlays, $26,400,000,000.
"(C) New direct loan obligations, $600,000,000.
"(D) New loan guarantee commitments, $10,500,000,000.
"Fiscal year 1986:
"(A) New budget authority, $27,300,000,000.
"(B) Outlays, $26,700,000,000.
"(C) New direct loan obligations, $700,000,000.
"(D) New loan guarantee commitments, $12,500,000,000.
"(16) Administration of Justice (750):
"Fiscal year 1983:
"(A) New budget authority, $5,200,000,000.
"(B) Outlays, $5,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $6,000,000,000.
"(B) Outlays, $6,000,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $5,800,000,000.
"(B) Outlays, $5,900,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $5,900,000,000.
"(B) Outlays, $5,800,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(17) General Government (800):
"Fiscal year 1983:
"(A) New budget authority, $5,600,000,000.
"(B) Outlays, $5,700,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $5,700,000,000.
"(B) Outlays, $5,700,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $6,000,000,000.
"(B) Outlays, $5,800,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $6,200,000,000.
"(B) Outlays, $5,900,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(18) General Purpose Fiscal Assistance (850):
"Fiscal year 1983:
"(A) New budget authority, $6,400,000,000.
"(B) Outlays, $6,400,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $7,100,000,000.
"(B) Outlays, $7,000,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $7,200,000,000.
"(B) Outlays, $7,100,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $7,500,000,000.
"(B) Outlays, $7,500,000,000.
"(C) New direct loan obligations, $300,000,000.
"(D) New loan guarantee commitments, $0.
"(19) Net interest (900):
"Fiscal year 1983:
"(A) New budget authority, $87,600,000,000.
"(B) Outlays, $87,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $96,300,000,000.
"(B) Outlays, $96,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $105,500,000,000.

"(B) Outlays, $105,500,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $109,200,000,000.

"(B) Outlays, $109,200,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(20) Allowances (920):

"Fiscal year 1983:

"(A) New budget authority, $800,000,000.

"(B) Outlays, $900,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $600,000,000.

"(B) Outlays, $600,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $1,900,000,000.

"(B) Outlays, $2,000,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $3,200,000,000.

"(B) Outlays, $3,400,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(21) Undistributed Offsetting Receipts (950):

"Fiscal year 1983:

"(A) New budget authority, −$18,000,000,000.

"(B) Outlays, −$18,000,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, −$21,400,000,000.

"(B) Outlays, −$21,400,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, −$20,700,000,000.

"(B) Outlays, −$20,700,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, −$23,500,000,000.

"(B) Outlays, −$23,500,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"RECONCILIATION

"SEC. 2. (a) Not later than June 6, 1983, the Senate committees named in subsections (b) through (f) of this section shall submit their recommendations to the Senate Committee on the Budget and not later than June 6, 1983, the House committees named in subsections (g) through (l) of this section shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

"SENATE COMMITTEES

"(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,243,000,000 in budget authority and $1,243,000,000 in outlays in fiscal year 1984; $1,332,000,000 in budget authority and $1,332,000,000 in outlays in fiscal year 1985; and $1,327,000,000 in budget authority and $1,327,000,000 in outlays in fiscal year 1986.

"(c)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $856,000,000 in fiscal year 1984; to reduce outlays by $2,024,000,000 in fiscal year 1985; and to reduce outlays by $2,484,000,000 in fiscal year 1986.

"(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $8,900,000,000 in fiscal year 1984; $12,675,000,000 in fiscal year 1985; and $51,000,000,000 in fiscal year 1986.

"(d) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $258,000,000 and outlays by $534,000,000 in fiscal year 1984; to reduce budget authority by $368,000,000 and outlays by $834,000,000 in fiscal year 1985; and to reduce budget authority by $836,000,000 and outlays by $1,486,000,000 in fiscal year 1986.

"(e) The Senate Committee on Small Business shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $139,000,000 in budget authority and $287,000,000 in outlays in fiscal year 1984; $555,000,000 in budget authority and $466,000,000 in outlays in fiscal year 1985; and $544,000,000 in budget authority and $443,000,000 in outlays in fiscal year 1986.

"(f) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $202,000,000 and outlays by $201,000,000 in fiscal year 1984; to reduce budget authority by $117,000,000 and outlays by $115,000,000 in fiscal year 1985; and to reduce budget authority by $118,000,000 and outlays by $118,000,000 in fiscal year 1986.

"HOUSE COMMITTEES

"(g) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (b) which provide spending authority as defined in section 401 (c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,243,000,000 in budget authority and $1,243,000,000 in outlays in fiscal year 1984; $1,332,000,000 in budget authority and $1,332,000,000 in outlays in fiscal year 1985; and $1,327,000,000 in budget authority and $1,327,000,000 in outlays in fiscal year 1986.

"(h) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $816,000,000 in fiscal year 1984; to reduce outlays by $1,538,000,000 in fiscal year 1985; and to reduce outlays by $1,979,000,000 in fiscal year 1986.

"(i) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $258,000,000 and outlays by $534,000,000 in fiscal year 1984; to reduce budget authority by $368,000,000 and outlays by $834,000,000 in fiscal year 1985; and to reduce budget authority by $636,000,000 and outlays by $1,486,000,000 in fiscal year 1986.

"(j) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $139,000,000 in budget authority and $287,000,000 in outlays in fiscal year 1984; $555,000,000 in budget authority and $466,000,000 in outlays in fiscal year 1985; and $544,000,000 in budget authority and $443,000,000 in outlays in fiscal year 1986.

"(k) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $202,000,000 and outlays by $201,000,000 in fiscal year 1984; to reduce budget authority by $117,000,000 and outlays by $115,000,000 in fiscal year 1985; and to reduce budget authority by $118,000,000 and outlays by $118,000,000 in fiscal year 1986.

"(l)(1) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce by $849,000,000 in fiscal year 1984; to reduce outlays by $1,481,000,000 in fiscal year 1985; and to reduce outlays by $2,077,000,000 in fiscal year 1986.

"(2) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $8,900,000,000 in fiscal year 1984; $12,675,000,000 in fiscal year 1985; and $51,000,000,000 in fiscal year 1986.

"MISCELLANEOUS PROVISIONS

"SEC. 3. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

"(1) new budget authority for fiscal year 1984; or

"(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1984, within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section

302(b) of the Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

"SEC. 4. It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit the on-budget new direct loan obligations of the Federal Government to an amount not to exceed $37,600,000,000 in fiscal year 1983 and $29,300,000,000 in fiscal year 1984; off-budget new direct loan obligations to an amount not to exceed $17,800,000,000 in fiscal year 1983 and $18,900,000,000 in fiscal year 1984; and new loan guarantee commitments to an amount not to exceed $94,500,000,000 in fiscal year 1983 and $94,500,000,000 in fiscal year 1984. It is further the sense of the Congress that the President and the Congress should limit total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $16,200,000,000 in fiscal year 1983 and $17,300,000,000 in fiscal year 1984, and Federal Financing Bank purchases of certificates of beneficial ownership from Federal agencies to $11,500,000,000 in fiscal year 1983 and $13,200,000,000 in fiscal year 1984. It is further the sense of the Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

"SEC. 5. (a) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon the first section of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations and new loan guarantee commitments for fiscal year 1983 and fiscal year 1984, among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new obligations and commitments.

"(b) As soon as practicable after this resolution is agreed to, every committee of each House, after consulting with the committee or committees of the other House to which all or part of the allocation has been made, shall subdivide among its subcommittees the allocation of new direct loan obligations and new loan guarantee commitments for fiscal year 1983 and fiscal year 1984, allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

"SEC. 6. It is the sense of the Congress that the budgets of Federal agencies initiating Federal Financing Bank purchases of certificates of beneficial ownership and originations of guaranteed loans should include the budget authority and outlays resulting from the transactions. The Congress recommends that the committees with jurisdiction over the Federal Financing Bank Act of 1973 consider expeditiously legislation to require that the budgetary impact of such Federal Financing Bank transactions be included in the budgets of the initiating agencies beginning with the fiscal year 1985 budget.".

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, how much time does the Senator from Connecticut have?

The PRESIDING OFFICER. The Senator from Connecticut has 3 minutes and 10 seconds remaining.

Mr. STAFFORD. Will the distinguished Senator yield me about 1 minute?

Mr. WEICKER. Mr. President, I ask for the yeas and nays on my amendment as modified.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. WEICKER. Mr. President, I yield a minute to the distinguished Senator from Vermont.

Mr. STAFFORD. Mr. President, I think the amendment now pending before the Senate, with the modification which we have accepted from the distinguished Senator from Washington (Mr. GORTON), gives the Senate an opportunity to decide whether or not it really wants a budget resolution this year. This is the key question: Do we want to vote a budget resolution, or do we want to end up in a rather chaotic state, appearing in front of the country as unable to resolve the issues that go into a budget resolution?

I say we have reached the time when the Senate is going to be put to the test: do we want a budget resolution this year or do we not? I believe the majority on both sides of the aisle want a budget resolution. I hope that the Senate will adopt the amendment that has been offered by my colleagues and myself.

The PRESIDING OFFICER. The Senator's time has expired. Who yields time?

The Senator from Connecticut.

Mr. WEICKER. I yield to the Senator from Rhode Island.

Mr. CHAFEE. Mr. President, I would like to make a couple of points about the proposition that is at the desk now. One, it is a 3-year reconciliation, which I think is extremely important; second, the revenues as provided by the amendment of Senator GORTON are basically the same as that at the desk.

Defense is only slightly more. It is 6 percent, 5.5 and 5. Finally, Mr. President, I do believe this sends a signal of responsibility to the financial markets on the part of the Senate and the Congress.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield myself such time as I might need off the bill.

The PRESIDING OFFICER. Does the Senator yield time off the amendment or the resolution?

Mr. CHILES. Off the resolution.

The PRESIDING OFFICER. The Senator has that right. The Senator from Florida is recognized.

Mr. CHILES. Mr. President, we are getting down to the late hour. We have been talking for a long time that we were going to come down to this. It is kind of like the shot clock in basketball; we are getting down to whether we are going to take the last shot. That is where we are now. I think we have time to take the last shot. I am afraid that that is the last shot—whether we are going to have a budget and whether we are going to have a budget process. When we see the remarks that come out of the White House that we do not care whether we have a budget or not, that we can have a veto strategy, we can run against Congress and we do not need a budget when we know there are individuals down there that say we will be able to do better with our defense numbers because Congress will never go and cut the particular weapons systems, when we see people that say if we do not have a budget, then we will not have to worry about raising any revenue, we will be able to get by there, all of those things tell me that the process is in great jeopardy.

I have supported for a number of weeks now the bipartisan budget that came out of the committee, which I felt was the best thing that we could possibly do because we would be reducing revenues, we would be reducing the deficit, we would begin bringing that deficit down to 2.6 percent of the gross national product in 1988, we would be saying that we should not be going out and borrowing more money now to give people a red ink tax cut at a time that we are trying to hold interest rates down.

I strongly believe in that proposition. Democrats in the Budget Committee strongly believed in that proposition. We held firm with what we thought the number should be, and ultimately we were successful. If I thought that we could hold firm longer in the Senate and be successful, I would be holding firm now.

I am convinced, Mr. President, that there are not enough votes to pass the committee budget. I am convinced that there are no votes for the committee budget on the Republican side of the aisle. I have tried to talk to colleagues over there, and I find no votes. I am convinced that we have some Democrats over here that are nervous about voting for $30 billion additional revenue.

Knowing that and feeling that there is no way that we can pass what I think is the best plan and what I would like to support, then I am going to look in every way I can to find what is the next best thing to try to reduce those deficits. What I find is the next best thing is the Chafee amendment as modified by Senator GORTON, with the other distinguished five Senators that are the cosponsors of that amendment.

When I look and see what it actually does, it is $22 billion below the President's deficits in the 5 years; it produces $21 billion lower interest than we will pay if we have the President's

budget. The interest rate is terribly important because every dollar that we have to borrow is jeopardizing the recovery. It is jeopardizing whether interest rates are going to go up or not. It follows the principle that we tried to lay down in the Budget Committee, and that is that you have to get some revenue in the first 2 years. I would like to get a lot more revenue than this budget actually picks up in the first 2 years, but now with the Gorton compromise it does help make up for some of that revenue by going to $51 billion in tax increases in year No. 3. That is higher than the President's $46 billion contingency number. It is a 3-year reconciliation. I have described the Domenici-Baker substitute at one time in irreverent terms, and I apologize to my good friend from New Mexico. That word kind of slipped out—I guess I am kind of prone to saying something like that—when I said it was "rinky dink." My concern was that that budget was only a 2-year reconciliation. My concern was the signal that would send to the markets if we were only talking about the revenue, small revenue that the President was talking about over the first 2 years, doing nothing about increases in the third year even though the President had wanted to do that; that it would be the worst of all signals that we could send.

Mr. DOMENICI. Will the Senator yield?

Mr. CHILES. I yield.

Mr. DOMENICI. Since the Senator indicated that he did not have to say it, why did he say it again?

Mr. CHILES. I was only repeating what the Senator said yesterday. And I will go wash my mouth out with soap when we leave. That is what my mother used to do with me when I used some terms that she did not wish me to use.

Because we have been talking about whether there is going to be a budget process or not and we have on our side been critical of the administration and some other Republicans that we have said do not want that process, I want to say to my good friend and the distingusihed chairman of the committee that I do not think anybody has worked harder to see that we have a budget process and to see that it continues, and I know of no one that feels stronger about it than the Senator from New Mexico. He met me bright and early this morning to express his concern that we were going to get into a situation today where we might see the whole thing blown up. He said, "How can we set the procedure so that we save as much time as we can, so that we take the steps we can to accommodate all of the votes than can be taken in this body to see whether there is a majority for a plan?" He has certainly done that. He gave back his time on the tabling motion on Domenici-Baker. He has accommodated the Senators that are moving this proposition, and he has accommodated our side of the aisle, all of that while I do not think he agreed with this particular proposition and probably is not going to support it.

I know of his desire. If everyone felt exactly as he did, I would not be as concerned as I am that we might lose the process. But I dreadfully am concerned about that.

This amendment that we are talking about now gives us a 3-year reconciliation, provides a good source of revenue in the third year, reduces deficits, reduces the interest rate below the President's budget, and I think it is a good step for us to take to the House and to go to conference with and see what is the best budget that we can produce at that time.

If we fail to produce this, I do not know where we go from there. But knowing that the White House is against even this, knowing the White House has been intransigent in anything that we tried to do to produce meaningful compromise, has been against any kind of revenue numbers, is not concerned as to whether we have a budget process or not, I think it is a dreadful risk that we run.

I say to my many Democratic friends who have the feeling the Republicans have a majority here, why should they not be responsible for producing a budget, the Republicans have failed to allow us to particulate up until today, why should we be trying to pull their ox out of the ditch today, I think we need to do it today because it is good for the country. I think we need to forget about what we would think about any kind of politics. I always think the best politics is what is best for the country anyway. What is best for the country today is to have the Senate produce a budget, to have the Senate come up with numbers that show that we are concerned about this deficit, we are trying to get one lower than the President, we are concerned about interest rates, and we are concerned about new revenues. That I think is all of the things that this particular substitute will give us today.

Without that, we would not have a 3-year reconciliation, and for that reason it seems to me to make sense.

Mr. President, I am not alone in this thinking. I ask unanimous consent to have printed in the RECORD today an editorial from Hobart Rowen talking about the "Dead Hand of the Deficit." He is talking about the importance of reducing the deficit.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

DEAD HAND OF THE DEFICIT

(By Hobart Rowen)

Political forces are making it extremely doubtful that much is going to be done about the massive federal budget deficit. If not, budget director David Stockman's warning that the deficit "will be stuck at $200 billion as far as the eye can see" is right on the mark.

As Wall Street analyst Sam Nakagama pointed out in a recent commentary, "With the 1984 elections looming ahead, neither the Republicans nor the Democrats are eager to make further large cutbacks in non-defense spending."

For the same reasons, despite heroic efforts by Sen. Bob Dole (R-Kan.), no one is really willing to bite the bullet on tax increases. On the contrary, Congress is rolling over and playing dead for the banking-industry lobby, reversing last year's effort to install a modest and proper withholding procedure for taxes owed on dividends and interest.

The only organized effort that will help in the reduction of the budget deficit is the bipartisan refusal of Congress to go along with the president's request for a 14 percent increase—10 percent real—in defense spending. But even this only cuts the five-year costs for arms from $1.8 trillion to $1.6 trillion.

Yet the importance of reducing the budget deficit can hardly be exaggerated. In the recent euphoria associated with the booming stock market, it's almost been forgotten. But the deficit is one of three main elements—the others being what he calls the "international debt blockage" and the failure of any major nation to encourage economic expansion—that cause economist Henry Kaufman serious concern.

At best, Kaufman said in an interview, worldwide economic recovery "is flying at a low level, and you've got to be sure you don't hit the trees when you're flying at a low level." He sees debt problems piling up, not being solved.

And although bankers like to say that the problem is just one of "liquidity"—a temporary shortage of cash—Kaufman believes that many of the debtor nations could be heading into "solvency" problems, that is, going broke or bankrupt.

Robert V. Roosa and William M. Reichert of Brown Bros. Harriman, a private New York banking firm, recently delivered a rather grim analysis of budget prospects. They pointed out that deficits of the magnitudes that Stockman and other realists now foresee almost surely negate the possibility of a sustained economy recovery.

They say the conflict between the deficits—which absorb most of the nation's savings—and growth "would extend beyond U.S. borders, for the rest of the world is extremely sensitive to U.S. economic growth and interest rates." This point has also been made forcefully in the discussions in Paris this week at the Organization for Economic Cooperation and Development.

Europeans agree with Roosa and Reichert that once the American economy emerges from recession—and the Reagan administration insists that the recovery in the United States is broader than Europe has yet conceded—"large deficits become restraining rather than stimulative."

They argue, as well, that the deficit will eventually push up real interest rates (unless the Federal Reserve softens monetary policy considerably). That will continue to keep the dollar overvalued in foreign exchange markets, which in turn depresses American exports.

Because both Democrats and Republicans find it politically difficult to do more than trim around the edges of the deficit via fiscal policy, economic policy resides—by de-

fault—mostly in the hands of the Federal Reserve. That makes all the more interesting recent White House complaints about the "independence" of the present chairman, Paul Volcker. It begins to sound as if the way is being paved to dump him.

"If the Fed pursues a non-inflationary path and is forced to curtail the expansion of credit, real interest rates might go higher . . . possibly aborting the recovery," say Roosa and Reichert. "If, on the other hand, the Fed monetizes a significant portion of the deficits by allowing the money supply to grow rapidly . . . inflation may reemerge. . . . This leaves economic policy between a rock and the hard place."

Their net conclusion, after making allowance for the probability that no projections are ever exact, is that in the years that lie ahead, taxes will have to be boosted (further reversing the giveaways of Reaganomics), defense spending will come to be reduced, and inflation and interest rates will still be higher than anyone wants. That means the prognosis for economic growth and jobs is poor. In turn, that suggests that the sooner politicians get up their courage to regain control of the budget, the better.

Parsing the transcript of President Reagan's extemporaneous mini-press conference the other day was scary enough. But what must have triggered my nightmare, as best I can reconstruct it, was a background briefing the same day by a senior European diplomat (you don't become senior by going public) on the utility of the upcoming summit meeting of the seven Western industrial nations at Williamsburg.

"There is huge benefit," he argued, in the opportunity for "practical politicians" to meet even briefly by themselves with no aides "shoving notes in front of them"; to let their hair down and "take each other's measure."

That did it. It was the thought of Ronald Reagan having his measure taken by six sharp-eyed, seasoned veterans of parliamentary rough-and-tumble, with their keen ear for nuance and their necessary sensitivity to every twist and turn in U.S. policy—and of him talking the way he talked to those six reporters in the Oval Office.

I am not even thinking of the quickly corrected slips of the tongue about Salvadoran "freedom fighters" or the muddled presentation of his Nicaraguan policy, which attracted most of the notice. Rather, my nightmare vision is of polite coughs, fleeting exchanges of glances, and perhaps abrupt changes of subject (nothing rude) as the president takes off on one or another of the fundamental flights from reality to be found in the press conference transcript. For example:

China: He was "not at all sure" that Jimmy Carter had "added anything" to what "a previous president to the previous administration" (that would be Richard Nixon) had already accomplished. What Carter added, of course, was the hard part—the 1979 "normalization" agreement establishing full diplomatic relations with the People's Republic, at the expense of downgrading relations with Taiwan to the level of "unofficial." In Carter's time, a military aid relationship was also struck up with Peking, while limitations were imposed on such aid to Taiwan.

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The Mideast: Conceding that Jimmy Carter "started" the Camp David agreement, he argued that the Reagan administration has "gone a step beyond [by] trying to have an overall peace in the entire area—that has never been proposed."

The reality: it has been proposed in the so-called Rogers Plan under Nixon, and regularly by Henry Kissinger, it is the bedrock of the Camp David Accords (which Reagan takes as the basis for his own Mideast "initiative"). They are subtitled "A Framework for Peace in the Middle East." The preamble states: "The parties are determined to reach a just, comprehensive, and durable settlement of the Middle East conflict."

The Alliance: "I do not believe that the NATO alliance has ever been more solid than it is now, or that there has been a better relationship between us and our allies." If Reagan tries that in the free-form shoptalking sessions, his best hope would be that it would be taken as a joke to break the ice so apparent in the summit preparations on East-West trade, on Western economic relations, on arms control, on assessments of the Soviets.

These are fundamental misapprehensions. The familiar post-mortem rationalizations—that the president was "having an off day" or perhaps didn't quite catch the question—don't persuade. White House aides, conceding a problem, talk about the need for better briefing, more structured formats, tighter wraps, all of which helped Ronald Reagan out of trouble in the 1980 campaign.

But that's only a formula for cleaning up the act. It can have the effect of improving the performance. But it can't alter the evidence that to "let Reagan be Reagan" is to invite the conclusion that his attention/retention span for foreign affairs is short—that, left on his own devices, he is either out of date or out of touch.

Mr. CHILES. Our work would have probably been easier if we had to do our budget 3 months ago, 5 months ago, but now with the stock market going up every day and the news getting better and better, I know a lot of the troops say:

> Why in the world should we be worrying about these deficits now? The good times are rolling. We do not have to be concerned about further cuts in spending. We do not have to be concerned about revenues. I am running this year. What is it going to do in the Presidential election next year?

Everybody is kind of feeling that way.

Goodness knows, you only have to look at that chart and look at the numbers on either of those budgets, the Republican substitute or the bipartisan committee budget, and see the kind of problems we are facing. We will face those problems unless we can send a signal that we are producing a deficit that at least is going down.

The substitute has the deficit going down. It shows that 1984 will be better. It shows that 1985, 1986, 1987, and 1988 will be going down on a declining curve. That is essential if we want to see the recovery continue, if we want to see interest rates stay where they are or go down further.

With 10 percent unemployment, there is no way we will get those people back to work. They are the ones who have suffered. They are the ones who are really the victims of it. If we care about those people, and I think we do, if we care about this country and trying to put us on our feet again, we have to show that we can produce a blueprint in the direction of lower deficits and lower interest rates.

That is the responsibility each of us has, as a Member of the Senate, representing our State and our country. I hope everybody will think about that when they vote on this particular deficit.

Mr. President, I hope the Senate will adopt this substitute. I hope the Democrats will see that it is to our advantage and to the advantage of the country to produce votes to see that we adopt this particular substitute.

Mr. BYRD. Mr. President, will the Senator yield?

Mr. CHILES. I yield.

Mr. BYRD. Mr. President, I fully support the statement made by the ranking minority member of the Budget Committee, Mr. CHILES.

After all, it was, I guess, under Democratic administrations in the Senate that the budget process was created. I think the budget process has been emasculated and greatly abused in the last 2 years. I do not like that.

However, that is not to say that I am for ditching or deep-sixing the budget process today. I support the Senator from Florida, who has just stated that it is important to retain that budget process. As I understand him, this amendment as modified would result in lower deficits than the President's budget.

Mr. CHILES. That is correct.

Mr. BYRD. And lower deficits than contained in the Baker-Domenici substitute.

Mr. CHILES. That is correct.

Mr. BYRD. And would establish a trend that would encourage the American people to believe that, indeed, we are going to try to keep deficits down.

Mr. CHILES. That is right.

Mr. BYRD. So I support this amendment, and I express the hope that we will have bipartisan support. There has not been very much that was bipartisan in this matter until today.

Mr. CHILES. No.

Mr. BYRD. But now I hope we will have bipartisan support on this amendment.

Of course, it is going to have some bipartisan support because it is being offered by some of our good friends on the other side.

I hope there will be a strong showing of votes from the other side as well as a strong showing of votes from our side.

Mr. CHILES. Mr. President, I certainly concur with the statements of the distinguished minority leader.

With respect to the remarks I am trying to make on our side of the aisle, I do not know that I can make them to the other side of the aisle, but I hope

there will be enough concern over there about how important this process is, how important it is that we get a budget out. They have had an opportunity to stand up for the President. They have had an opportunity to vote for their leadership resolution. That has failed.

Now I hope they will join what is a move from their side of the aisle and produce the votes to see that we have a bipartisan budget that we can take to conference with the House.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. Mr. President, I understand that the Senator from Kansas desires 5 minutes in opposition, and I yield to him.

Mr. DOLE. Mr. President, since we have been debating about 2 weeks what the Senate Finance Committee should do, perhaps I ought to speak.

I say at the outset that I am perfectly willing to go the extra mile so far as revenues are concerned. But I think the record should be made clear that we had a vote here last year on $100 billion in new revenues, and that did not get a single vote on the other side of the aisle, until the conference report came up.

Mr. CHILES. Mr. President, will the Senator yield?

Mr. DOLE. I yield.

Mr. CHILES. The distinguished ranking minority member is not here now, but as I recall, that package was presented to the Democrats who sit on the Finance Committee after it had all been worked out. No hearings were held. It was just brought in and sort of laid on the table; and it was said, "Here is the revenue." The Republicans voted it out, and we did not get a chance to participate at all.

As I recall, the Democrats were ready to raise some revenue last year, had several propositions on how to do it, but did not get any consideration on those. That was totally a Republican package. You produced your votes and you passed that.

The same thing was being done this time. Thank goodness, there were a few people on the Republican side of the aisle who thought it was the wrong thing to do.

I think we are willing to participate in the landing any time we get a chance to participate in the takeoff.

Mr. DOLE. That is the point I want to make. I do not know whether we are going to have a takeoff. Those of us who have to raise the revenue should have some passengers on the plane.

The last time we took off—on the withholding debate—we gave away $20 billion in revenue on this floor. I did not see anybody jumping up on either side saying, "We should not give away $20 billion."

If we had that $20 billion, it would make these deficit numbers look better.

I will say, to the credit of those offering the substitute on our side, that every one of them voted to retain that money.

The only point I make is that if there are those who say we should raise $75 billion, I hope they are all with us when we vote on the legislation to raise the $75 billion, and not just vote for a budget and when the revenue bill comes to the floor say, "I didn't mean that when I voted for $75 billion. I meant something else. I meant taking away the third year of the tax cut, or indexing."

So far as I am concerned, those are not negotiable. But there are a lot of things we can do to raise revenue.

There are a lot of loopholes that should be addressed. There is a lot of tax compliance that should be addressed.

We should have some agreement in this Chamber that we are going to try to make the system fair and protect the tax cuts for the working people by closing loopholes and exacting more compliance. About $100 billion that is due in taxes is not being paid, and there are $296 billion in tax expenditures that should be looked at.

So far as I am concerned, I would not quarrel with the revenue numbers. I do not think they are unrealistic, at least in the first 2 years, if we could come back from conference with the numbers. But then the problem is whether or not we can get any votes on the Senate floor for a revenue bill.

It just seems to this Senator, based on last year and then earlier this year, when the bankers took over the Senate, we ought to be careful that what we say we are going to raise in revenue in the budget resolution we can pass on the floor, and then maintain. The Senator from Kansas is perfectly willing to carry out his responsibilities, and has the greatest respect for the Senate Budget Committee, having served on that committee. And I know the task of the Senator from Florida and the Senator from New Mexico has been very difficult. But I just cannot be silent since all the debate is over how the Senate Finance Committee is going to raise all this revenue.

If, in fact, these revenue numbers are accepted, we will do the best we can. But I am concerned with the high-revenue numbers on the House side. Therefore, I believe that these revenues offered by the distinguished Senator from Washington are too high.

So it would seem to me the best we could hope for is to send this budget back to the Budget Committee, and hope they can come back with a better resolution.

(Mr. WILSON assumed the Chair.)

Mr. BAKER. Mr. President, will the Senator yield to me for a moment?

Mr. DOMENICI. I would be pleased to yield to the distinguished majority leader.

Mr. BAKER. Mr. President, it is now 3:20 p.m. I announced earlier that I hoped we could finish this matter one way or the other by 6:30 p.m., and I am still hopeful in that regard.

Let me say, that I have no quarrel with the Senator from Washington for his initiative nor that of the Senator from Connecticut, the Senator from Rhode Island, the Senator from Vermont, the Senator from Oregon, and others, who have made this proposal. But, Mr. President, let me point out that what we are going to do, as the chairman of the Finance Committee remarks, is lay on the Finance Committee an uncertain obligation to do what the Senate has not been willing to do until now—raise even a modest amount of revenue.

I regret that the Budget Committee got locked up to the place where it was required, with the assistance of the vote of the chairman, to report a resolution that he did not want, that the Democrats included 30 billion dollars' worth of new revenue, and which assumes the repeal of the third year of the tax cut.

Now, there is an effort now to characterize this as a compromise. I want to say right now if there is to be a compromise, the way to compromise is to take this resolution back to the committee. If there is a way to find a bipartisan solution, it is to do it within that committee and to report it to us on a basis that will permit us in the regular course of affairs to consider it on its merits as a resolution from that committee.

Mr. President, the day is growing short, and I do not know whether this amendment will pass or not. I hope it does not pass and I will vote against it. But, if it does not pass, Mr. President, it is my full intention to ask the manager of this resolution, the chairman of the Budget Committee, to make a motion to recommit this resolution to his committee so that we can get on with the business at hand and try to find a solution to the questions involved.

It is often said "Well, you know the President has no role to play here, he doesn't have to sign a resolution, he can't veto it. It is purely congressional action." Of course that is true. But, Mr. President, it is certainly a matter of interest to the President of the United States whether or not there are additional revenues to be raised and how they are to be raised.

So, Mr. President, I suggest we should take account of the concern, and I believe the legitimate concern, of the President of the United States in this respect: we should send this

resolution back to committee and we should try to make an accommodation with the White House on what basis we will design a budget for this country in the years ahead.

We have spent much more time than I had hoped we would spend on this resolution. A lot of the time was spent doing nothing at all, sitting around waiting for each other and I regret that. But we have just about used up the 50 hours allocated under the statute and I am just about ready, Mr. President, to say that the thing to do is for the Senate to acknowledge that the work of the Budget Committee needs to continue and if this matter is recommitted under the act it must return in 3 legislative days. It would be my intention then not to ask the Senate to be in session on Friday, to count today, Monday, and Tuesday and we would take this resolution up, as it must be reported by the Budget Committee then, either on Tuesday evening or if there was not time to complete it, then on Wednesday.

Mr. President, I urge that we not accept this initiative, that we defeat it and send this thing back to the Budget Committee for one more try.

Mr. DOMENICI addressed the Chair.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I hope that the Senate will not adopt this amendment at this point. I do, however, feel as if it would be grossly unfair, as chairman of the Budget Committee, if I did not commend those who were involved in the amendment as it finally finds itself before the Senate. I think that considering how polarized the sides were to begin with it has come a long way, a tremendously long way. The leader has suggested that if the amendment fails we have time to recommit. The resolution, then, comes back here with only the small amount of time remaining on the resolution. He suggested that we could use that time for accommodation.

I have suggested to the distinguished leader, my friend from Tennessee, that indeed if the resolution is recommitted we are going to have to have some accommodation from the White House. He has assured me that he will work on that. I have asked my good friend, the chairman of the Finance Committee and he told me he would work on that. I say that only because I have had my share of attempting to accommodate with the White House on the defense issue and I did not get anywhere in 3 weeks. It looks like I am going to have 3 days this time but, nonetheless, frequently when you are under the gun, people accommodate. I am hopeful they will.

Simply, I do not believe that this amendment is good policy. I really do not think the House and Senate are going to end up enacting the taxes proposed here. I do not think you are going to get the full $73 billion in new taxes over 3 years, which is what is proposed. So I have a lot of doubt about that kind of reconciliation which seems to give us a euphoric feeling that we are doing a lot about deficits, because the likelihood is that the Congress will not follow through with the necessary laws.

Let me close where I started by complimenting those who have participated, the distinguished junior Senator from Washington who has been very helpful on the committee, and those who voted to table my side amendment. They have now joined, most of them, in this proposal. It is a rather significant step forward. I thank them for their willingness to compromise and I think it means that there is a growing feeling that we have got to get a resolution. But I do not think this is the amendment to pass.

Unless there is additional time sought I am ready to yield back and I assume we will vote.

Mr. BYRD. Mr. President, I would like to have 1 or 2 minutes.

Mr. WEICKER. How much time do I have?

The PRESIDING OFFICER. The Senator has 44 seconds remaining.

Mr. WEICKER. I certainly yield my 44 seconds.

Mr. BYRD. I would like to ask Mr. GORTON a question. The revenues involved in his modification, in his amendment to the amendment which was accepted as a modification, would amount to $8.9 billion, I believe, in fiscal year 1984. Is that about what a $500 cap on the third year would raise?

Mr. GORTON. I will say to my friend, the minority leader, to the best of my knowledge it is approximately that amount. I would defer to the better judgment which the chairman of the Finance Committee might come up with. I must say to the Senator that that was not my assumption in this respect but it would be quite consistent with doing that.

Mr. BYRD. Yes. Under such a cap, then, every family of four with an adjusted gross income up to $39,000 would receive the full 10-percent cut; is that correct?

Mr. GORTON. The Senator is correct.

Mr. BYRD. If the Finance Committee chose to move in that direction?

Mr. GORTON. The Senator is correct.

Mr. BYRD. And those persons with incomes above $39,000 would all get a tax cut but it would be capped at $500; is that not correct, give or take?

Mr. GORTON. The Senator is correct.

Mr. BYRD. So instead of a tax cut of $2,368 that a family of four earning $100,000 would otherwise receive, they will receive $500?

Mr. GORTON. I think I would defer to the chairman of the Finance Committee with regard to those figures but I believe the figures are substantially correct.

Mr. BYRD. In any event, this would not be a tax increase. It would simply be a way in which, if the Finance Committee chose and the Ways and Means Committee chose, it would be a way in which lower and middle income people would receive their full 10-percent cut while those who are above that line would receive a tax cut but it would be limited to $500, give or take a little.

Mr. GORTON. I believe the minority leader to be correct. Of course, as the chairman of the Finance Committee pointed out in his own remarks, this is simply a number and the Finance Committee literally has any number of numbers.

Mr. BYRD. I do not argue with the Senator from Kansas on that. But at least those figures could accommodate such a cap.

Mr. GORTON. The Senator is correct.

Mr. BYRD. And that would come out about right.

Mr. BAKER. Will the Senator yield to me?

Mr. DOMENICI. I am pleased to yield to the distinguished majority leader.

Mr. BAKER. Mr. President, what I am about to say next is certainly not meant as any slight to the minority leader or the distinguished author of the amendment. But I think just now, with the questions by the minority leader, that we have established the real confrontation that exists, the real essence—and I do not think this was meant by the Senator from Connecticut or the Senator from Rhode Island or the Senator from Washington. Maybe it was, I do not know. But what we are really about to decide is whether we are going to tinker with the third year of the tax cut. Eight point nine billion dollars is not enough to repeal the third year of the tax cut, but $8.9 billion, as the minority leader, I think, implies, is enough to cap the third year of the tax cut.

Just so I am sure I understand, I believe that that is the real issue between us on this vote. Are we going to change the third year of the tax cut or leave it intact? If we are going to change the third year of the tax cut—and I expect many Democrats will support this amendment—if we are going to do that, the vote would be yes. If we are going to vote against changing it, the vote would be no.

Obviously, this lends itself to other configurations and other interpretations. The Senator from Washington has pointed out that these were just numbers and that is not what he in-

tends. But I think the questions put by the minority leader sharpen that issue. I think we should assume what we are deciding right now is whether to leave the third year of the tax cut intact.

Mr. GORTON. Will the distinguished majority leader yield?

Mr. BAKER. I yield the floor.

Mr. BYRD. Will the Senator yield to me?

Mr. CHILES. I yield to the minority leader.

Mr. BYRD. Mr. President, the distinguished majority leader—and I say this with all due deference—is accurate in his own mind, but probably not accurate in the minds of even those who are sponsoring the amendment. It is merely one approach that could be taken. I feel that approach would be good because it would be fair to the middle and lower income people of this country. But I do not know what the motivation is or what approach would be preferred by Mr. WEICKER or Mr. GORTON or others. I am simply saying that a cap is one approach which could be taken. I personally believe it is the right approach.

Mr. CHILES. Mr. President, I yield some time to the distinguished Senator from Washington.

Mr. GORTON. Mr. President, with all due respect to my own esteemed leader, since I am the author of this particular figure, I wish to say that I do not regard it as appropriate to characterize this vote as a vote on the third year of a tax cut. I support it. I support the retention of indexing. I am absolutely convinced that the distinguished Senator from Kansas is quite imaginative enough and successful enough to come up with revenues which would meet this figure without changing the basic structure of the income Tax Code at all, except in the field of deductions, exemptions, tax preferences, and the like. And, for what it is worth, the author of this amendment would hope that he would do precisely that.

Mr. CHILES. Mr. President, I ask my distinguished colleague from Washington, the number $8.9 billion has a ring to it. Is that original from the Senator from Washington or have I heard that number somewhere else? Did someone else speak of that number, saying that was the amount of revenue they could pick up without tampering with the third year, or something?

Mr. GORTON. The Senator from Florida is very shrewd and very wise in this respect. As a matter of fact, the number comes from a figure to which both the chairman of the Finance Committee and the chairman of the Ways and Means Committee in the House have spoken of as a practical revenue number; that is, $8 billion, together with the revenue effect of decisions which we have already made in the course of this debate.

Mr. CHILES. I thank the distinguished Senator from Washington.

Mr. BAKER. Will the Senator yield?

Mr. DOMENICI. I am pleased to yield to the majority leader.

Mr. BAKER. Mr. President, I want to make it absolutely clear to the Senator from Washington, the Senator from Connecticut, and others, I have never said it was their intention to do that. What I said was that the only fair import of the remarks by the distinguished minority leader suggests that it is a part of the consideration involved here in voting on this measure as to whether we are going to keep the third year of the tax cut.

Mr. BYRD. Will the Senator yield?

Mr. BAKER. Yes.

Mr. BYRD. I say to the distinguished majority leader that I have a right to support this amendment for whatever reason I may wish to support it and I would assume that other Senators who vote for it or against it would do so for whatever reasons they choose.

I personally would like to see a cap. I think that would be fair to the middle and lower income people of this country. But that is no directive to the distinguished Senator from Kansas, the chairman of the Finance Committee. There is just a dollar figure here. He can go in that direction; he can go in other directions.

But I do not think that the majority leader would dispute the fact that that is about the same dollar figure. That is what I was asking the Senator from Washington, that, roughly the same figure could be involved in a cap.

Mr. BAKER. Mr. President, I find it extraordinarily difficult for me to stand up and to ever, ever express anything other than gratitude to the minority leader for his embrace of a Republican initiative. But I have to confess that when that infrequent occurrence happens, I wonder why I am being embraced. [Laughter.]

In this case, I suspect the reason for it was implied, at least, in the minority leader's suggestion about the third year of the tax cut.

Mr. DOLE. Mr. President, will the Senator yield?

Mr. DOMENICI. I am pleased to yield to the Senator from Kansas.

Mr. DOLE. Since I am getting all of this advice on what this revenue number does or does not mean, I might say that it also could mean a $5 a barrel oil import fee, which I know would be popular in some quarters. That would raise about $9 billion. I have all kinds of options here to get $8.9 billion.

Mr. BYRD. Will the Senator yield?

Mr. DOLE. Yes.

Mr. BYRD. Does the Senator forget that most vigorous filibuster that ever occurred in the United States which occurred in 1977? It was the deregulation of natural gas.

Mr. DOLE. How does that give me $9 billion? [Laughter.]

Mr. BYRD. I do not know, but the Senator talked about some increase or some taxes on oil.

Mr. DOLE. I just threw that out. Everybody interprets this, as they wish. This is just a giant crap game anyway and you just shoot until you win around here. But I think you are about to shoot the Finance Committee chairman.

This amendment raises about $76 billion in revenue. If we can put in this amendment that it is going to be raised by closing loopholes and tax compliance, you might have a lot of support. But I do not know why we have to take it from the working people, by tampering with the third year of the tax cut. The fair way is to close loopholes and raise tax compliance.

I know the Senator from Ohio has supported me in that effort, one of the few on that side that did, I might add.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. Who yields time?

Mr. METZENBAUM. Mr. President, will the Senator from New Mexico yield?

Mr. DOMENICI. I would be pleased to yield.

Mr. METZENBAUM. Mr. President, will the majority leader be good enough to yield for a question?

Mr. BAKER. I am happy to yield.

Mr. METZENBAUM. The Senator from Ohio has a lot of respect for the majority leader and knows that the majority leader never embarks upon a course of action without knowing where his ship is going. Would the Senator from Tennessee, therefore, be good enough to advise the Members of the Senate what alternatives he is thinking about or talking about or suggesting in the event this amendment is defeated in order to bring about a compromise solution of the whole question of getting a budget out of the Senate in the event the additional 3 days are provided? I would just like to know what his thoughts are, what he is really suggesting that this body should be doing.

Mr. BAKER. I think that is the answer.

Mr. President, seriously, I indicated earlier, I will say to my friend from Ohio, that I think, one way or the other, we have to preserve the budget system and I think the way to do that is to demonstrate whether anything is going to pass here or not. This may pass. I hope it does not pass. But if it is passed, the Senate has spoken.

But I am not about to stand here and say we ought not to have a budget resolution. I am determined to try to get a budget resolution.

I am not going to gladly see the Senate leave without doing that. So if this amendment fails, it is my intention to ask the distinguished chairman of the committee, or I am prepared to do it by myself if he wishes, it make a motion to recommit to the Budget Committee, with the request that they report back within the 3 days provided by statute, and to debate within the time remaining. It would not be a new 50 hours. Then to dispose of this matter after the committee takes a fresh start.

Presumably, the committee would approach this matter on the basis of the preferences expressed by the Senate so far. That would be on the votes, relative strength or lack of strength, of the several proposals that have been discussed, and to bring back to us a resolution.

But just so there is no misunderstanding about it, I do not share the sentiments expressed by an official of the White House yesterday, that we might be better off without a budget resolution. I do not believe that. I think we should have a budget resolution. I am committed to get a budget resolution. It is not my plan to try to thwart that. Indeed, if this amendment fails, as I hope it does, it would be my intention to ask the Senate to give the committee a fresh start.

Mr. STEVENS. Will the chairman yield?

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield to the Senator from Alaska.

Mr. STEVENS. I will be brief. I am constrained to make a couple of remarks. Having been here during the period of the development of the budget process, I cannot remember a time when the Senator from Maine (Mr. Muskie) or the prior chairman from South Carolina could have gotten a budget through this body without bipartisan support. I read that because of five or six Members on this side having a disagreement with the balance of 48, that for some reason or other that means that the budget process is coming to a halt.

If it comes to a halt, it is because the budget process is becoming a partisan matter. Again I say to my friends on the other side of the aisle, the pendulum swings, and the time is going to come, perhaps, during your service here in the Senate when support will be needed from this side of the aisle. Having been one of those who supported Senator Muskie and supported Senator HOLLINGS in the past, with a plea for bipartisan support on budgets, I wonder where that support is now. Where is the bipartisan support for the budget process? Or is this a process of just holding the feet of the majority to the fire until somehow or other we coerce five people who happen to disagree with the majority on our side to change their mind?

Is the budget process a bipartisan process or is it a partisan process? If it is a partisan process, this Senator would like to know now. I think I am learning now that it is.

Mr. METZENBAUM. Will the Senator yield?

Mr. STEVENS. I yield the floor.

Mr. CHILES. Mr. President, I yield myself a couple of minutes.

The PRESIDING OFFICER. The Senator from Florida.

Mr. CHILES. I will have to say this: I just heard the most incredulous statement I have heard since I have been on the Senate floor in the last 12 years. If I had not heard it, I would not believe it. My distinguished and good friend from Alaska is talking about the budget process fails because of partisanship. We have been on this floor for a week now asking every day when could we participate in the process.

Do you call it bipartisanship when your side agrees to something and they come up with your substitute, we are not consulted, and we do not get a chance to say anything, that you worked for 2 or almost 3 weeks to try to get 51 votes on your side, and then when you did not get 51 votes on your side and we are trying to participate in a bipartisanship compromise now—my friend, is that partisanship on our side?

You talked about Muskie and Bellmon. Do you remember who was in the majority then? We were in the majority then, the Democrats were. At the time we were in the majority, everything that went through the Budget Committee was taken up function by function, category by category. There were no caucuses that went in and presented a plan at 3:30 in the afteroon that was voted out at 10, as happened last year on the budget. There was no Democratic plan that came out. It was a process that we went through.

We had a majority. And we came to the floor and Senator Muskie and Senator Bellmon stood back to back and fought for the committee position. That is something that the Senator from Florida has asked for, the ability to do that in the Budget Committee, asked for that on this floor, talked about that for weeks.

Now you are talking about this as a partisan process on this side of the aisle?

Mr. STEVENS. It appears that way to this Senator. What you recite is interesting history, I say to my friend. But what led to those positions that came out of the Budget Committee this year? Solid opposition from your side to the concepts that came in the President's budget, solid opposition here. Why is it with 48 people on this side there are no people over there in agreement with our side?

Mr. CHILES. I believe the Senator from Alaska smokes the same pipe maybe that the President does. That is bipartisanship means "You follow what I say." That is bipartisanship. But if you disagree with it at all, you are being partisan.

You said the President's plan. The President said in his state of the Union speech that he wanted a bipartisan economic policy. Until today, until today, we have not had any opportunity to participate in that bipartisan policy, and by golly you are trying to take it away from us today. I am reminded of the old farmer who they put out of the room because he smelled. He had manure in his hair. He said, "Gosh, you can kick me out for smelling, but don't rub it in my hair."

It is kind of like you are talking with us that way.

No, we want to participate. We have some concern.

Mr. STEVENS. All I will say to my friend, and again I am saying the pendulum swings and, believe me, this process will be political unless what we are going through now comes to a halt.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I was just going to say to my good friend from Florida, I used the word "incredulous" the other day, and they told me it was incredible, not incredulous. Is that what you meant?

Mr. CHILES. I just repeated what I heard my good friend from New Mexico say.

Mr. DOMENICI. Then you meant incredible.

Mr. CHILES. I am delighted that he has corrected us.

Mr. MELCHER addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. The Senator indicated he would like to have 2 minutes?

Mr. MELCHER. Yes.

Mr. DOMENICI. I yield 2 minutes.

The PRESIDING OFFICER. The Senator from Montana.

Mr. MELCHER. It has been difficult to find out what the deficit is if this amendment is adopted. But as I understand from the author of the modification which was accepted by the author of the amendment, the first year deficit would be $184 billion. We voted on whether or not we would accept $192 billion and rejected that.

The second year the modification would be $178 billion in deficit. We just rejected $186 billion.

The third year would be $142 billion, and we just rejected $147 billion.

In each case the budget deficits in this amendment are still too high and it ought to be rejected.

I would also like to comment on the discussion about the bipartisanism of this budget debate.

On our side, the term rinky-dink was used and on the other side I just heard the chairman of the Finance Committee talk about a big crap game. If that is bipartisanship applying to this budget process, it is a pretty loose term.

I think the figures we are being asked to vote on are pretty loose and they are just shoved out here, off the floor. I dare say the chairman of the Budget Committee does not have these figures. Is that true? Does the chairman of the Budget Committee have these figures I just read off?

Mr. DOMENICI. I apologize to my good friend.

Mr. MELCHER. I was reading off the deficit figures which would exist if this amendment, as modified, were agreed to.

Mr. DOMENICI. Let me say while all this staff is here which assisted the Senator form his numbers, I do not vouch for them. If I were offering the amendment, they would be prepared in the same way. The numbers offered by the distinguished Senator were prepared by the professional staff. If he wants to give them to me, I will give them to the distinguished Senator.

Mr. MELCHER. I will save the time of the body. I read them off and they are in the record.

It does point out that these figures are just out here and penciled in and are really not very firm.

The chairman of the Finance Committee just brought out another one, $20 billion which was supposed to be lost from the modification of the withholding tax provision.

Mr. DOLE. It is $18.6 billion.

Mr. MELCHER. The figure of $18.6 billion. That points out how these figures are thrown around loosely. The Joint Taxation Committee, that guided the chairman of the Finance Committee while we were debating that issue, came to me afterward and said the true figures——

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

Mr. DOMENICI. I yield 2 more minutes.

Mr. MELCHER. The chairman of the Finance Committee said $20 billion, then $18.6 billion. After the hassle was over, 5 days after that hassle and debate were over on withholding, the staff of the Joint Taxation Committee came to me to describe what the official figures were. I will inform the chairman of the Committee on Finance, they said that they are $13.5 billion. During the course of that debate, we went from $20 billion to $18 billion and I guess to $13.5 billion, although it has not caught up yet with the chairman of the Finance Committee.

The point is when Treasury gives you a figure, it may be changed the next day. The Office of Management and Budget may give you a figure that varies from the Treasury on the same day. But the fact is that these figures are not firm and when they are thrown out here as if they are firm, everyone can take it with a huge grain of salt. I don't think this is the way to approve a budget.

I do not like that, Mr. President. I think it is misleading. It is misleading to the Senate and misleading to the public to throw these figures out as if they are firm figures and you can hang your hat on them. You cannot hang your hat on them; they are just an estimate. Particularly are they an estimate on revenue gains when you get them from the Treasury on something they support, because they are likely to mislead us by 10 or 20 percent on any of their estimates of what the adjustments are in taxes after it is enacted.

Mr. GORTON. Will the Senator yield to me for one moment?

Mr. DOMENICI. I am pleased to yield.

Mr. GORTON. Mr. President, I wish to say to the Senator from Montana that the figures involved in this amendment are calculated in precisely the same way as are the figures in the resolution before us from the Budget Committee and all other proposals which have been before this body for the past 2 weeks. They are exactly as precise as those.

The Senator is, of course, correct: No one knows precisely what is going to happen in 2 or 3 years. The real point is all of them are comparable. The revenue figures are not supplied by the Treasury. They are the figures which we as sponsors of this amendment have deemed to be necessary to carry out the purposes of the amendment. They have nothing to do with the Treasury at all. They are comparable to all of the other figures on which the Senator from Montana has voted or will vote on the budget resolution.

Mr. MELCHER. I thank the Senator from Washington. That is a positive statement. I accept his figures as the most accurate that are available at this time. Even with that the deficits in this amendment are too high.

Mr. EXON addressed the Chair.

The PRESIDING OFFICER. Who yields time?

Mr. CHILES. Mr. President, I yield 3 minutes to the distingushed Senator from Nebraska.

Mr. EXON. Mr. President, as a member of the Budget Committee, I have been listening to the debate with keen interest. In fact, yesterday afternoon, I came to the conclusion that we would never ever have a chance of getting a budget out of the Senate and I felt it would be proper for me to reconsider this for the consideraton of the Budget Committee and tell the Budget Committee to do our work right. We did not do our work right and maybe we ought to do it all over again.

Mr. DOLE. May we have order, Mr. President?

The PRESIDING OFFICER. The Senate will be in order.

The Senator from Nebraska.

Mr. EXON. I thank the Chair.

Before we consider going back into the budget session again, I hope that, in the spirit of bipartisanship, we would give some instructions to the Budget Committee that the Republicans would not caucus and the Democrats would not caucus, that we would go into the Budget Committee and spend 3 days, if necessary, in that Budget Committee in open session, working out our difficulties. I may be in a position to support an appeal, if made at a later date, to recommit this to the Budget Committee.

I would simply say that we talk about bipartisanship all too often, but we do very little about it. The record will show that this Senator has been on the floor the last 2 days offering to cooperate, as I have frequently, to bring out a true bipartisan budget.

I think one thing that we are continually overlooking, and if there is one thing that has been hardly mentioned, it is the key matter with regard to the budget; that is the deficit. I do not know how many people in the country understand budgets, but they all know what deficits are.

Instead of talking about a budget that would produce the lowest deficit that may help get this country back on track, that may insure lowering interest rates to something reasonable, we hear the continual talk about partisanship, about the fact that we lack cooperation, about the fact that we are debating here tax increases. I think we should be debating—in my opinion—deficits and how the deficits are going to affect the economy of this country and this world in the years ahead.

I look at the Weicker-Gorton amendment before us and, from the figures that have been presented to me, Mr. President, the Weicker-Gorton amendment, as compared with the resolution that was reported out of the Budget Committee, would increase the deficits by $21 billion in 1984, $31 billion in 1985, $11 billion in 1986, $18 billion in 1987, and $28 billion in 1988. It may be a significant step in the right direction that the Weicker-Gorton proposal is $22 billion lower in deficits than the President's budget as submitted and $199 billion lower than the Domenici-Baker compromise.

I have been trying to concentrate on deficits. I think it is important, that we have a responsibility here.

The PRESIDING OFFICER. The Senator from Nebraska has used the 3 minutes yielded to him.

Mr. CHILES. I yield 2 additional minutes.

Mr. EXON. I think it is important here, Mr. President, that we do focus in on the budget, but while focusing in on the budget, I think we should ask ourselves, what is the budget all about? It is to support in the most responsible way the functions of Government and with no deficit at all. Yet, here we are, considering passing a resolution that will skyrocket the deficits to the $200 billion level and keep them there nearly as long as we can see into the future.

There were two interesting stories printed on the editorial page of the Washington Post this morning, one by Mr. George F. Will and the other by Mr. Hobart Rowan, that tied into the heart of this matter. I would hope that whatever we do here, we should base it primarily on what we can do to reduce the deficit—whether we can do it here, whether we have to recommit this to the Budget Committee with some instruction to bring something back that can get 51 votes. Whatever it is, I think it is important that we try to protect the budget process. Without it, I think we are going to have a worse deficit in the future than the deficit I see on the board behind me.

I certainly hope that, whatever action the Senate takes on the amendment presently before us, the Senate will oppose it because it does not get the deficits down to even the unacceptable high level that we came out of the Budget Committee with.

I yield the floor.

● Mr. MATHIAS. Mr. President, today huge budget deficits hang in front of America's economy like stoplights, stoplights that threaten to halt a sustained recovery. Continued long-term deficits will confirm expectations of rekindled inflation, hold interest rates high, depress investment, and limit job opportunities.

It is an axiom of budget arithmetic that a responsible budget resolution will result in budget deficits that decline from each year to the next. We must now accept the hard corollary of this budgetary axiom: Some revenues need to be raised to support the military and domestic outlay that Congress, by its votes, has deemed reasonable and appropriate for our great Nation.

To modify the revenue program is not to repudiate the past. In 1981 we simply went too far. To reverse our excesses and to raise some revenues will actually improve our chances of restoring a healthy economy.

When this budget debate is over, the American people will look at our bottom line. What size deficits will they see? Will deficits be stuck at nearly $200 billion as far as the eye can see? Or will they see deficits beginning downward toward our traditional economic patterns?

Let us consider the size of the deficits in relation to the economy as a whole. The fiscal 1983 deficit will be 6.4 percent of the gross national product. This represents a post-World War II high. In fiscal 1976, in the aftermath of the worst postwar recession up to that time, the deficit reached only 4 percent of GNP. The time to address this issue is now.

I submit for the RECORD a table showing the actual deficits as a percentage of GNP over the last decade and projected deficits under our new proposal.

The choices now are clear: We can have no budget at all. The Nation can have unending, unacceptable deficits. Or we can act to bring deficits under control.

Our proposal offers real hope for a sustained recovery and increased employment, for a decade of investment in the future, and for growing prosperity and global influence. Failure to make the hard decision—to increase revenues—would set in motion a train of forces that will be impossible to control later on.

The table follows:

BUDGET DEFICIT AS A PERCENTAGE OF THE GROSS NATIONAL PRODUCT

	GNP	Deficit	Deficit as percent of GNP
Fiscal year:			
1973	1,252.0	14.8	1.2
1974	1,379.4	4.7	0.3
1975	1,479.9	45.2	3.1
1976	1,640.1	66.4	4.0
1977	1,862.8	44.9	2.4
1978	2,091.3	48.8	2.3
1979	2,357.7	27.7	1.2
1980	2,573.9	59.6	2.3
1981	2,871.8	57.9	2.0
1982	3,033.0	110.7	3.6
1983 (estimate)	3,193.7	204.0	6.4
1984 (estimate)	3,498.7		
New alternative		180.6	5.2
1985 (estimate)	3,821.5		
New alternative		169.0	4.4
1986 (estimate)	4,142.2		
New alternative		157.8	3.8

●

Mr. MITCHELL. I am pleased that the pending amendment provides sufficient budget authority to enable the Environmental Protection Agency to fulfill its mandated responsibilities.

This amendment would simply return the budget of the EPA to its 1981 level.

If we are to restore the ability of this agency to function, the provision of adequate funding is an essential precondition.

The budget and personnel levels at the EPA have been drastically reduced over the last 2 years. The agency's operating budget would be 44 percent lower in inflation-adjusted terms, and its personnel levels would be 29 percent below 1981 levels if the administration's proposed 1984 budget were accepted.

The budget resolution as reported takes a small step to correcting that situation: It provides for an increase in the Superfund authorization for hazardous waste clean up, and it raises the research and development budget slightly over the 1983 funding level.

But this small increment, sound as it is, does not go sufficiently far to repair the damage done to the agency over the last 2 years.

It is now clear that this agency bore the brunt of the administration's desire for regulatory reform, and it was a goal approached in the most meat-ax fashion imaginable. It finally resulted in the resignation of the top management of EPA and what we all hope will be a revival of its capacity and its commitment to carry out the laws as they are written, under the direction of the new Administrator.

But we cannot expect the new Administrator to succeed unless we give him adequate tools with which to do the job. And the resolution before us now simply would not do that.

The 2-year-long assault on the EPA is now over. The administration is now faced with the need to regain both its credibility and the initiative in upholding the environmental laws on the books. This amendment is designed to provide the agency and its staff with the resources they will need to do that credibly and effectively. We cannot afford yet another year in which the commitment of the EPA to its job remains in question. We cannot afford yet another year in which the hazardous potential of a new Times Beach may be realized. We cannot afford another year in which needed environmental controls are delayed for want of adequate research while funding for that needed research is cut.

The EPA has identified 419 hazardous waste sites nationwide which demand priority attention. These are not minor inconveniences which may be easily avoided by the people living near them. These are dump sites which have the potential to contaminate the Earth and the ground water; these are dump sites which can be a clear and present danger to the health of the local communities.

If the agency had identified 419 fires burning out of control across the Nation, we would not have waited for over 2 years before taking action. But these hazardous waste sites are every bit as dangerous as uncontrolled fires. Indeed, because they are not always perceived as an active threat, they are even more dangerous, because people in local communities are not clearly forewarned of the dangers and have no direct way to protect themselves.

This amendment would provide that at least half the available funds in the Superfund account be spent to deal with those waste sites.

The Superfund program was established 2½ years ago, and it is surely not too much to expect, midway through the program, that its provisions be implemented for the purposes set forth in the law.

But it became clear in the course of hearings on the progress of Superfund implementation, that there existed in the top administrators of EPA, an unstated, but effectively implemented desire to limit the expenditures from Superfund in order to make certain that sufficient funds remained when the law expired to give plausibility to the notion that the law was unnecessary in the first place.

Whether that was an actual policy goal explicit in the intentions of those formerly in charge of the agency is now a moot point. What is not moot, however, is the fact that this deliberate slowdown policy, implicit or explicit, has severely curtailed the rate at which Congress anticipated the law would operate. That is a result that should now be corrected as speedily as possible.

The record of cleanups to date is paltry. Of the 419 sites identified as priority sites, EPA has provided funding to help clean up just 78. The other 341 sites have been left just as they were found: Deadly hazards to close-by communities, potential threats to the ground water above which they are located, and a serious concern to each of 44 states in which they are located. It is well past time that these identified hazards are eliminated. The amendment we propose today would move us a substantial step toward that goal.

In addition to adequately funding the crucial Superfund cleanup effort, this amendment would lay the foundation for rebuilding the capacity of the EPA to define, regulate and aid in the cleanup of other pollutants.

The situation with respect to the States is particularly important. As the States are given more and broader responsibilities for environmental protection and cleanup, the resources devoted to helping them fulfill that task are in danger of being seriously diminished.

The administration's budget figures for 1984 would represent a 36-percent decrease from 1981 for the grants which States use to carry out environmental laws. At a time when State government budgets are every bit as tight as the National Government's, a continued decrease in these grant programs will simply result in delays in granting permits, reductions in essential staff to enforce requirements, and retard the delegation of added responsibilities to the State level.

Such an overall outcome will not have an effect limited to the single budgetary year of this resolution; it will have a lasting and cumulative effect on the entire nationwide effort to maintain existing laws in force, to strengthen the enforcement of current standards and to overcome the results of past pollution as well as prevent new technologies from adding to it. Such an outcome would have an effect on the health and lives of Americans in future years well beyond its effect in this one budgetary year. And it is an effect we cannot afford to permit.

The most fundamental responsibility of a national government is to protect the well-being of its people. To that end, we devote billions of dollars for the national security. We devote billions to income support programs to assure that no American lives in deprivation. It is no less fundamental a responsibility of the National Government to assure that Americans need not fear that the air they breathe and the water they drink as a threat to their health.

Increased funding is a way to carry out that responsibility effectively. The funding for EPA in this amendment represents the most minimal commitment we can and should make to carrying out the laws which protect our people from the hazards of our industrial society.

The funds in this amendment cannot, alone and immediately, make up for the last 2 years of mismanagement at EPA. They cannot overcome, immediately, the suspicion that has been fostered. But this is a downpayment we can make now to indicate our seriousness and our commitment to restoring the traditional, bipartisan Federal responsibilty for the national environment. I urge my colleagues to vote for it.

SEVERAL SENATORS. Vote.

The PRESIDING OFFICER. Who yields time?

Mr. DOMENICI. I yield back any remaining time I have on the opposition side.

Have the yeas and nays been ordered?

The PRESIDING OFFICER. All time has been yielded. The yeas and nays have been ordered. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Arkansas (Mr. PRYOR) is necessarily absent.

The PRESIDING OFFICER (Mr. QUAYLE). Are there any other Senators in the Chamber wishing to vote?

The result was announced—yeas 46, nays 53, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—46

Andrews	Bradley	Cranston
Biden	Byrd	D'Amato
Bingaman	Chafee	Danforth
Boschwitz	Chiles	Dixon
Dodd	Johnston	Pressler
Durenberger	Kassebaum	Riegle
Eagleton	Kennedy	Rudman
Ford	Lautenberg	Sarbanes
Gorton	Leahy	Sasser
Hart	Mathias	Specter
Hatfield	Matsunaga	Stafford
Heinz	Metzenbaum	Stennis
Hollings	Mitchell	Tsongas
Huddleston	Moynihan	Weicker
Inouye	Packwood	
Jackson	Pell	

NAYS—53

Abdnor	Goldwater	Nickles
Armstrong	Grassley	Nunn
Baker	Hatch	Percy
Baucus	Hawkins	Proxmire
Bentsen	Hecht	Quayle
Boren	Heflin	Randolph
Bumpers	Helms	Roth
Burdick	Humphrey	Simpson
Cochran	Jepsen	Stevens
Cohen	Kasten	Symms
DeConcini	Laxalt	Thurmond
Denton	Levin	Tower
Dole	Long	Trible
Domenici	Lugar	Wallop
East	Mattingly	Warner
Exon	McClure	Wilson
Garn	Melcher	Zorinsky
Glenn	Murkowski	

NOT VOTING—1

Pryor

So Mr. WEICKER's amendment (No. 1262), as modified, was rejected.

Mr. DOMENICI. Mr. President, I move to reconsider the vote by which the amendment was rejected.

Mr. CHILES. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HOLLINGS. Mr. President, I would like to classify my vote for the Gorton-Weicker substitute amendment to the budget.

My vote was not in support of the tax or spending policies included in that amendment. And my vote was certainly not in support of or in favor of the tremendous deficits included in that proposal. As I explained to the Senate during our deliberations these past 2 weeks, there is an alternative budget that is fair, effective, and that would return us to a balanced budget in the near future. All it would require is the courage of Congress to move to a freeze on Federal spending. I lost that battle but I am convinced now, more than ever, that the deficits must be reduced and that a freeze is the most practical way to achieve that.

But my vote for this amendment was a vote for the budget process. It is necessary that the Senate pass a budget resolution. Returning this resolution to the committee is not the answer; it is instead an abdication by the Senate of its responsibilities. For this reason, I reluctantly supported this amendment. I did not support the policies included therein, but it is now important for the Congress to demonstate that it can administer to our budget process and that it can pass a budget resolution.

The PRESIDING OFFICER. The majority leader is recognized.

Mr. BAKER. I thank the Chair.

Mr. President, if the Senator from New Mexico, the chairman of the committee, will yield to me for a moment, as I indicated in my remarks earlier, I think it is time now to recommit this resolution to the committee with the request that they use their tender mercies to come together on a true bipartisan basis and produce a resolution that we can support.

It happens that the act already provides a time limitation, so we do not need to worry about that. It is 3 days. It may be that in those days that calm and reason will prevail and we can find something.

I repeat that I am determined to the extent that it is possible to do so to get a budget resolution.

As soon as the committee reports back, it is my intention, of course, to ask the Senate to turn once again to its consideration. It is privileged, and we will take it up and there will be time remaining.

I inquire of the Chair: How many hours now remain for debate on the resolution?

The PRESIDING OFFICER. Three hours and twelve minutes remain.

Mr. BAKER. When it comes back then there will be more than 3 hours, assuming there is no debate on the motion to recommit. As far as I am concerned there is no requirement for a rollcall vote on the motion to recommit. Of course, we can have one if the Members wish.

If it is recommitted, it is my intention to confer with the minority leader to see if we can take up once again as the order requires the immigration bill, and there may be one vote on an amendment to the immigration bill. After that is disposed of it will be my intention to ask the Senate to go out until Monday.

I see the Senator from Wyoming is nodding his head. That may not be possible.

While we focus on the other matter, then, of the motion to recommit, I wonder if the Senator from Wyoming would permit me to confer with him, with the Senator from Arizona, and with the minority leader and we will try to arrange that sequence.

Mr. SIMPSON. Very good.

Mr. SARBANES. Mr. President, will the majority leader yield for a question?

Mr. BAKER. I yield.

Mr. SARBANES. It is the majority leader's intention to recommit the resolution and after it is brought back by the committee to be a completely different resolution, I take it, in the Chamber, than before and open to amendment, I assume at that point. But that whole process would then be compressed into 3 hours. Is that correct?

Mr. BAKER. Mr. President, I believe that is what the act provides.

Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. BAKER. Does the act provide that if a motion to recommit prevails and the committee reports in not more than 3 days the time remaining for debate on the resolution so reported is the time remaining at the time of recommittal?

The PRESIDING OFFICER. That is the interpretation of the Chair.

Mr. BAKER. I thank the Chair.

Mr. SARBANES. Mr. President, does the majority leader feel that that would provide the Senate with a reasonable opportunity to act on whatever the committee may bring back to us at that point?

Mr. BAKER. I am perfectly willing to change that time. I have no desire to limit the Senate in the amount of time that it wishes to debate that measure.

I am simply saying that by statute Senators are guaranteed that time, and I will confer with the minority leader and with the two managers. If they wish to extend that time I am perfectly willing to ask the Senate to do that.

Mr. MOYNIHAN. Mr. President, will the Senator yield for a question?

Mr. BAKER. I yield.

Mr. MOYNIHAN. Did I hear the majority leader correctly that he looks forward to a bipartisan solution to the budget, in effect a bipartisan budget resolution?

Mr. BAKER. Yes, I do. I have other remarks I will make on that subject to the Senator in private. I likened it to the effort of early Christians to find the Holy Ghost, but at this moment I will not proceed on that subject.

Mr. MOYNIHAN. I only wish to congratulate the majority leader and say he has the support of many Senators on this side of the aisle for that, even though he can only discuss it in the most secret recesses of the Capitol.

Mr. BAKER. I beg to differ with the Senator. I am perfectly happy to discuss it in public. It is only that I do not wish to shock the conscience of the Senator from New York.

Mr. President, if I may, I now yield to the Senator from New Mexico so that he may make the motion and then we can decide if we need a rollcall vote.

The PRESIDING OFFICER. The Senator from New Mexico is recognized.

MOTION TO RECOMMIT SENATE CONCURRENT RESOLUTION 27

Mr. DOMENICI. Mr. President, on behalf of myself and the distinguished Senator from Florida (Mr. CHILES) I move to recommit Senate Concurrent Resolution 27 to the Budget Committee with an instruction to the committee that the resolution be reported back within 3 days, not counting any days on which the Senate is not in session.

Mr. CHILES. Mr. President, I join with the distinguished chairman on that. I am delighted with what the majority leader said, that we can sit down and determine what would be a fair amount of time to come out, and I certainly do not wish to see us have another 50 hours. We do not need that. But I think we need adequate time to discuss it.

Mr. BAKER. Mr. President, if the Senator will yield to me, I am sincere about that and I will talk to the two managers and the minority leader on that subject.

I wish to say more seriously than I said a moment ago that I really do believe the two managers, the chairman and the ranking minority member, have an opportunity now to go back to the committee and their members and say, "Look, you know that two or three sides to this issue had their day, and it is time now that we sit down together and see what we can work out."

I am anxious to do that. If I can be helpful in that respect I offer my services in the effort.

Mr. CHILES. Mr. President, let me say we are delighted to hear of an offer of having a bipartisan effort in the committee. I think our Democratic members will certainly be there looking to participate.

Mr. BAKER. I thank the Senator.

Mr. DOLE. Mr. President, will the Senator from New Mexico yield?

Mr. DOMENICI. I yield.

Mr. DOLE. Mr. President, I hope that if the Budget Committee is going to solve this on a bipartisan basis and they wish to know how much taxes we raise they consult with the Senator from Kansas and the Senator from Louisiana and other members on the Finance Committee. I think it is going to go back to decide what the revenue numbers are, and we are very happy to do that. In fact, we are reconciled to some revenue figure. We would certainly be willing to cooperate with the Budget Committee in advance.

Mr. DOMENICI. Mr. President, let me say to my good friend from Kansas that I appreciate his comments. I think he would acknowledge that as far as the Senator from New Mexico is concerned when it comes to matters within his committee on such things as reconciliation I have regularly consulted with him and his expert staff, and I do not intend to change that policy.

Mr. SYMMS. Mr. President, will the Senator from New Mexico yield?

Mr. DOMENICI. I yield.

TOWARD A BALANCED BUDGET

Mr. SYMMS. Mr. President, I deeply regret that the Senate has not been able to fundamentally restructure America's budgetary priorities. The American economy profoundly needs

deficit reductions leading to a balanced budget soon. We need to get to a balanced budget by one fundamental course of action—reductions in Government spending. While reducing Government spending, we also need to reapportion Federal spending to increase our defense and military capabilities. We simply have no choice but to rebuild America's defenses. The Soviet Union will not allow us to continue in the old ways of the past—increasing entitlements and other domestic spending while cutting back defense spending.

Moreover, while cutting domestic spending, increasing defense, and reducing deficits, we must avoid raising taxes. Not only will tax increases not balance the budget themselves, but they will choke off increasing economic growth which has been resulting in net increases in revenues. The American Republic was founded on the principle of resisting excessive taxation, and we must remain true to our historic principles by unleashing the miraculous American economic engine. The American economy, properly freed from too heavy a tax burden, too large deficits, and too much domestic spending, is admired all over the world as the best means of producing the most good for the most people. American free enterprise, too often hampered by excessive taxes or high interest rates induced by large deficits, is the best means of providing for the general welfare and the general prosperity of the Nation.

Our free society is sustained by our free enterprise economic system. Incentives to produce and sell and grow are what makes America great. Our budgetary priorities must reflect our desire to preserve the fundamental strength of America—the free enterprise economic system.

In sum, Mr. President, we must reduce our deficits by cutting spending while increasing defense, and by avoiding new taxes. Spending cuts are the only way to quickly reduce deficits. Unfortunately, Congress has continually increased spending, rather than reducing it. The old politics of spend and tax, tax and spend are still with us. These politics are difficult to change.

The budget which most closely approached what I consider to be the sound fiscal principles which have historically made America strong, prosperous, and free was the Hatch-Gramm budget. This budget only attracted 23 votes, but it did lead to a balanced budget by 1989 by cutting domestic spending, increasing defense, with marginal increases in taxes. All other budgets fail to satisfy the fundamental principles of sound fiscal policy.

Mr. MITCHELL. Mr. President, a major question which must be addressed in this debate concerns the military budget. We must ask: How much defense spending is enough to guarantee our Nation's security? And how can we most efficiently use that money?

I served in Berlin, Germany, as army intelligence officer at the height of the cold war in the 1950's. As a result of that experience, I am under no illusions about the seriousness of the threat posed by the Soviet Union to U.S. security and to the security of the members of the Atlantic Alliance.

I am an advocate of a strong national defense, based on a strategy of deterring aggression and protecting our Nation's vital interests at home and abroad.

Since coming to the Senate in 1980, I have consistently supported DOD authorization and appropriations bills which have provided for real growth in our national defense. I have done so because our security is threatened by the Soviet Union's continuing substantial investment in its armed forces. We run a considerable risk unless we respond to this challenge by improving our own Armed Forces and by simultaneously pressing for verifiable and balanced international agreements to limit and reduce arms.

We run a similar kind of risk, however, if we indiscriminately throw money at defense efforts which are not part of a defined strategy or at weapons systems which underperform, do not work, or are unneeded.

President Reagan's defense budget for fiscal year 1984 is not based on a defined set of priorities derived from a sound military strategy.

Gen. David C. Jones, former Chairman of the Joint Chiefs of Staff, during February 2 Budget Committee hearing, described the all-encompassing nature of the administration's defense plan:

> It is a little hard to go in and figure out just what is the strategy, because the strategy document that is written sort of emphasizes everything, and then the Services take that and are sort of able to pick and choose.

In response to the Budget Committee's questions about the strategy which the President proposes to implement, General Jones said:

> Even though I applaud the fact that the rhetoric has been toned down this year compared to the past, programs have not changed. But the guidance that we received was to prepare for protracted nuclear war, to provide enduring survivability over a long period of time, to do much more in space, to do much more in air defense, and in the whole strategic area to go beyond. Then it says let us be able to fight the Soviets any place in the world and implies simultaneity rather than a one-and-a-half war or whatever; and it says let us be able to fight a long war; and let us be able to have a maritime superiority with a 600 ship Navy; and let us be able to go to Southwest Asia; and let us improve our mobilization base; and let us improve our industrial preparedness.
>
> You can make a good case for each one of these—no question about it. But you cannot do it all.

The administration's apparent desire to do it all follows a revealing exercise in one upsmanship. During the closing days of the 1980 Presidential campaign when the annual defense budget totaled $158 billion, Ronald Reagan promised to increase defense spending by 5 percent in real terms. Following the election, President Carter submitted to Congress a budget for fiscal year 1982 in excess of $200 billion. Not to be outdone, President Reagan then decided to seek a 7-percent increase to the already large Carter budget. As Steven R. Weisman noted in the New York Times Magazine, the result was a "new growth rate [of] 11 percent after inflation, more than twice what Reagan had promised."

This year the President has come to us asking that he be given an 11-percent increase in defense spending over the 25 percent in defense increases he has received since he took office. He asks this at the same time that he proposes to hold constant or reduce most domestic programs. Moreover, the President remains adamant in opposing elimination of the third-year tax cut.

This is a formula which will jeopardize rather than promote a strong America. It is a formula which overemphasizes the military component of security while it dangerously disregards the economic component of security.

In our debates on national defense we often fail to acknowledge how important to our Nation's security are such things as the rate of economic growth, the strength of the nonmilitary industrial base and the level of productivity.

I share the view of Robert S. McNamara, former Secretary of Defense and World Bank President, who, with McGeorge Bundy, Cyrus Vance, and Elmo Zumwalt, has written:

> * * * that the economic foundations of our national security, which are every bit as important as the defense component, have been undermined. The United States faces an economic problem of immense proportions, the solution to which has not yet been put into place. Not only has our nation, for many years, been favoring consumption over investment by a wide margin, it has lost its competitive edge in world markets; and real interest rates are at such high levels as to make any rapid and sustained reduction in unemployment very unlikely.

The situation outlined by McNamara and his colleagues will get worse, not better, as long as we continue to ignore the problem of the deficit. As a nation, we simply cannot afford to keep increasing the amount of deficit each year.

The administration's own estimate of the deficit for fiscal year 1984 is $200 billion, an amount equivalent to

over 6 percent of our gross national product. This level is unacceptable. It will inevitably result in the diversion of private savings to Government use, driving interest rates up and leaving American business starved for the capital it requires to expand and prosper.

While the administration defense program will not be exclusively responsible for the anticipated 1984 deficit, it is certain to be the major contributor. And, if the administration is successful in carrying out an unrealistic 5-year defense plan, the deficits in the late 1980's and early 1990's will be even greater in real terms.

A major reason for this is the fact that the President's defense budget is unwisely weighted heavily in favor of weapons procurement instead of readiness spending. For example, the administration's budget increases nuclear force funding by 37 percent while general-purpose forces funding is limited to an 8-percent increase. It proceeds with extremely expensive yet unnecessary programs such as the B-1 bomber while it cuts training exercises, and forces reductions in such things as annual flying hours per naval aircrew.

What this Congress approves for the Pentagon as part of the fiscal year 1984 budget will be paid for by American taxpayers during much of the next decade. In fiscal year 1982, 30 percent, roughly $57 billion, of actual defense spending occurred as a result of authority granted by Congress in prior fiscal years. During the coming fiscal year—1984—the rate of actual spending as a result of prior commitments will climb to 35 percent, or $77 billion. According to an analysis conducted by the Federation of American Scientists, by the close of fiscal year 1984 the administration "will have committed $146 billion for spending in future years."

I cannot express strongly enough my concern over the future procurement commitments we are making this year. When the bills for all these weapons systems become due in the late 1980's and early 1990's, enormous deficits resulting from high defense procurement outlays will be avoided only if the size of the forces are reduced, or if cuts are made in important operations and maintenance accounts.

After purchasing all this weaponry, I doubt seriously whether we will curtail operations, cut back on proper maintenance, or reduce the size of our uniformed services. The only course of action available will be to raise taxes.

Rudolf G. Penner, in a December 1982 Wall Street Journal opinion article entitled "The War Over Pentagon Spending" characterized the situation this way:

> While the high deficits projected for 1984 and 1985 represent a severe problem, I believe that the financial markets would take a more sanguine view of them if the long-term growth of defense spending and the major domestic entitlement programs were slowed so that the deficit is put on a sharp downward path in the late 1980s.
>
> And if after a reasonable debate, it appears that it would not be wise to slow defense spending growth significantly, then there is no other responsible decision but to commit ourselves to a higher tax burden in the longer run unless nondefense programs are cut more than seems likely.
>
> Put another way, the debate over weapons procurement in the 1983 and 1984 budgets is really a debate over appropriate tax policy in the 1985-90 period. That point should be emphasized again and again until it is seared into our consciousness.

Mr. President, I cannot accept the administration defense program with its lack of a defined strategy, with its overemphasis on nuclear systems and its underemphasis on conventional war readiness and sustainability. Though I believe in the need for a stronger defense, I do not feel I responsibly can support a budget, the defense portions of which promise either an enormous deficit burden or substantially increased taxes later in this decade. Accordingly, I have sought, and will continue to seek, a more realistic increase of about 5 percent in defense spending in each of the next 3 years. That is the level of defense spending best calculated to enhance our national security, at home and abroad.

Mr. GLENN. Mr. President, I support the first concurrent budget resolution as reported by the committee, primarily because I believe it is of great urgency that we cut the deficit of this Government. I believe the committee's resolution, as amended by the Senate to accommodate the needs in the areas of education, health care for the unemployed, and medicaid for low-income women, is the best proposal we have seen.

The amendment offered by my colleagues from the other side, particularly as modified by the Senator from Washington (Mr. GORTON), represents a significant improvement over the other alternative presented by the Republican leadership, which I believe the Senate wisely tabled. Nevertheless, I voted against that amendment because it was, in my judgment, second best to the one reported by the committee. And I will vote, Mr. President, to recommit this resolution to the Committee on the Budget in the hope that the Senate will go ahead and pass a resolution which does the most to cut the deficit and help put this economy on the march again.

SENATE SCHEDULE

Mr. BYRD. Mr. President, I ask the majority leader what the program is for the remainder of the day. I have a feeling that many Members may be under the impression that this will be the last rollcall vote if it is a rollcall vote, and it is perfectly all right with me if we have a voice vote on it. But I have a feeling, after discussing the circumstance earlier with the majority leader, there may be another rollcall vote today.

Mr. BAKER. As the minority leader and I discussed the hope that when this matter is disposed of, I trust by recommittal, that the Senate will return to the consideration of the immigration bill, and one amendment, the DeConcini amendment, might be disposed of yet today. But I have been getting furious hand signals, one from the Senator from Wyoming and the other from the Senator from Arizona.

Mr. SIMPSON. Mr. President, I certainly do not want to stay over here on this side of the aisle too long. In view of that, let me just say——

Mr. BYRD. Will the Senator use his microphone?

Mr. SIMPSON. I thank the Senator. There are some amenities over here we do not have on our side. [Laughter.]

Let me say, Mr. President, I believe we would not have the necessity of a rollcall vote this evening if the Senator wished to lay down that particular measure and address it on Monday or Tuesday. But I think we are going to reach an accord, I can assure you, with Senator DeConcini's proposal, which is a transitional work program, a key part of the immigration legislation. I do not believe there will be a requirement for a rollcall vote tonight, and that issue will be accepted.

Mr. BAKER. Mr. President, on the basis of that representation, then may I say to the minority leader that if there is no rollcall vote on the motion to recommit, I would not expect any further rollcall votes today, and I do not anticipate asking the Senate to be in session tomorrow.

Mr. KENNEDY. Mr. President, if this is accepted and recommitted, is it the intention then of the leader that we lay down the immigration bill this evening and what, then, would be the program for the early part of next week? I welcome the opportunity to work toward completion of the immigration legislation, but I think it is important since there are, I believe, in excess of 15 Members that I know about who have amendments and who wish to be present when there is a vote on that legislation.

Mr. BAKER. I thank the Senator.

What I would like to do is provide, after we go on that measure today, to lay down and perhaps debate the DeConcini amendment, and that we go out until Monday, and that on Monday the Senate will resume consideration of the immigration bill, following the conclusion of the debate on the nomination of Mr. Ruckelshaus, which will be called up on Monday.

There is a proposal I have not yet cleared with the minority leader. But in answer to the Senator's request, I

would hope that would be the sequence of events we would cover on Monday.

Then there would be final passage on the immigration bill which would occur no later than 10 p.m. on Tuesday, May 17.

Mr. CHILES. Mr. Leader, may we have some time in which we would not have votes before sometime on Monday, and I would hope it would be as late as it possibly could be to give the Budget Committee time to work and people who have traveling time, time to get back?

Mr. BAKER. I am happy to include that. I would be glad to say that there would be no votes before 2 p.m.

Mr. CHILES. Make that 4 p.m.

Mr. BAKER. All right, 4 p.m.

Let me say that a unanimous-consent agreement we are circulating at this time provides that any votes that are ordered on Monday would be stacked to occur on Tuesday so that the Senator from Florida will be protected absolutely on that day.

Mr. KENNEDY. Mr. President, I would like to see a time proposed, and I hope we will be able to continue debate on the immigration bill and complete it. Is it the intention of the leader to complete the immigration bill before we bring up the budget resolution or will it be set aside?

Mr. BAKER. I would hope we would finish and, indeed, this order would provide that we would finish immigration no later than 10 p.m. Tuesday, and if the Budget Committee does report it would not be my intention to ask us to turn back to the budget resolution until after we finish immigration on Tuesday night.

Mr. KENNEDY. I would just want to indicate that I welcome the opportunity to return to the immigration bill and hope we can finish it expeditiously.

Mr. HATFIELD. I wonder if the majority leader would settle on whether there will be a rollcall vote on the motion to recommit so that we in the Appropriations Committee can get back to work.

Mr. BAKER. I think the point is extremely well taken. I hope the Senator from New Mexico will put his motion. In that case, I would encourage the Chair to put the question to the Senate.

The PRESIDING OFFICER. Do the Senators yield back all remaining time?

Mr. DOMENICI. I yield back all of our time.

Mr. CHILES. I yield back my time.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the motion of the Senator from New Mexico to recommit the resolution.

The motion to recommit was agreed to.

Mr. BAKER. I move to reconsider the vote by which the motion to recommit was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. BAKER. Mr. President, there will be no more rollcall votes today.

ROUTINE MORNING BUSINESS

Mr. BAKER. Mr. President, I am unsure as to what business is pending before the Senate. The unanimous-consent order I guess automatically makes the immigration bill pending after disposition of the budget resolution. I am not sure a motion to recommit constitutes disposition. If it does not, I ask unanimous consent that there now be a period for the transaction of routine morning business in which Senators may speak for not more than 10 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

DR. BEN T. LANHAM, JR.

Mr. HEFLIN. Mr. President, on Tuesday, March 29, 1983, Alabama lost one of its most outstanding citizens when Dr. Ben T. Lanham, Jr., passed away. Dr. Lanham, a retired vice president for administration at Auburn University, served for more than 40 years as a teacher and administrator at Auburn. I know that I join his many friends and admirers in expressing sympathy to his wife, Bernice, his son, Ben, and his daughter, Betty.

There is no question that Dr. Lanham was a great scholar as well as administrator. He held a bachelor's degree from Clemson University, a master's degree from the University of Tennessee, the doctorate from Michigan State University, and did postdoctoral work at Iowa State University. In 1939, Dr. Lanham joined the Auburn faculty as an assistant professor of agriculture economics. He would become head of the department in 1956.

In teaching and research, Dr. Lanham's principal areas of professional interest included farm management, production economics, agricultural policy, and economic development. His expertise in the academic realm led him into memberships and offices in academic and professional organizations. Among these positions were vice president of the Alabama Environmental Quality Council, chairman of the Alabama Water Resources Research Institute Council and chairman of the editorial board of the Journal of Alabama Academy of Science, to name just a few.

In addition to teaching, his contributions to Auburn University were made through serving as the elected president of the general faculty and chairman of the faculty council in 1954 through 1955. A few years later, Dr. Lanham was the associate director of the Agricultural Experiment Station and in 1964 became the assistant dean of the school of agriculture; 1966 found Dr. Lanham serving as Auburn's first vice president for research and then in 1972, he was named vice president for administration. His influence in Auburn University's School of Agriculture, which was deep and spanned several decades, will not be forgotten.

Indeed, Dr. Lanham will be greatly missed—by his friends, colleagues, the university, and the community, both local and academic. Those who knew him were fortunate to experience his guidance, leadership, and warm friendship.

I thank the Chair.

FORT McCLELLAN WINS ARMY ENVIRONMENTAL QUALITY AWARD

Mr. HEFLIN. Mr. President, I was extremely pleased and proud to recently learn that Fort McClellan, Ala. has been chosen to receive the Army Environmental Quality Award for 1982. This award is presented annually to the Army installation that has demonstrated the Nation's most outstanding environmental protection program.

Fort McClellan's noteworthy achievements in improving local water quality, preventing soil erosion, attaining effective pest control, and developing numerous environmental training programs helped the fort earn the first place award, in competition with eleven other installations.

In Alabama, we are very proud of our natural environment. Fort McClellan is located near Anniston, just a few miles from the beautiful Talladega National Forest, in one of the many naturally beautiful areas of our State. I know that I am speaking for all Alabamians when I say thank you to the people of Fort McClellan for their efforts in environmental protection in the past year.

I do not mean to imply, however, that this is the first year that Fort McClellan has been concerned with environmental quality. In fact, for some 4 years prior to 1982, Fort McClellan had been chosen as the first runner-up in the Army competition.

The installation was also honored in 1982 by being awarded the Governor of Alabama's Environmental Award. This latest designation marks the fifth consecutive year the fort has been chosen to receive this distinction.

Specific highlights of the environmental program at Fort McClellan include environmental research projects which use computer models, television inspection of sewer lines, use of solar heating systems, and remote sensing techniques, as well as an environmental assessment of a proposed chemical

decontamination training facility. The program also placed a great deal of stress on the importance of environmental education, for both the military and civilian population.

Again, I am very proud of the people of Fort McClellan for their performance in the field of environmental protection. I wish them the very best as they enter the Secretary of Defense Environmental Award competition, along with representatives from the Air Force, Navy, and Marine Corps. I am sure they will do well.

I thank the Chair.

HAPPY 100TH BIRTHDAY TO MEMO, IN ST. LOUIS

Mr. DANFORTH. Mr. President, Mrs. C. M. Pearson will be 100 years old Saturday. Known to the many who love her as Memo, she will celebrate her big day at a family party in St. Louis.

Memo was born in Pennsylvania. Having raised her two children in Indiana, she moved to Missouri after World War II. Her daughter, Marjorie, is Mrs. John J. McAtee of St. Louis, and her son, Robert, lives in Hawaii. She has long divided her time between their homes.

Memo is a champion mother and grandmother. It is said that she can beat anyone in dominoes and that she is a first-rate gin rummy player as well.

I have been privileged to know Memo since she was a youthful 70 or so. I am not sure what she would say is the secret to a long and full life, but to this observer, she has at least two notable attributes. First, she stays active. She drove a car until well into her 90's, and she keeps and trains parakeets. Second, she has a heart full of love which she shares freely with her family and friends, and which they return in kind.

Mr. President, Memo Pearson is one of the most beloved people I have known. She is a great citizen of our State. I join her many friends and her family in wishing her a happy 100th birthday.

ALASKA'S STRUGGLE FOR STATEHOOD

Mr. STEVENS. Mr. President, today marks one of the important steps in the story of Alaska's struggle for statehood.

On May 12, 1958, just 25 years ago, Representative Clair Engle moved to bring the Alaska statehood bill to the floor of the House.

He sought a special privileged status reserved for statehood bill, cricumventing the Rules Committee, so that the bill could be taken up by the House for debate.

Bills for Alaska statehood had been before Congress since 1916, when Territorial Delegate James Wickersham introduced the first bill.

By 1958, there had been at least 3,500 pages of printed hearings held by the House and Senate in the years spanning 1946 to 1957. The House Insular Affairs Committee reported in 1957 that "Alaska is in all ways ready for statehood."

As public support mounted for Alaska to become a part of the Union, the press, across the 48 States and in Alaska, showed their support for Alaska's dream.

As one who was here in Washington, D.C. at the time of our statehood fight, I would like to share with you some of those articles printed in the Nation's newspapers 25 years ago that gave the case for Alaska statehood. I ask unanimous consent that some of them be printed in the RECORD at the conclusion of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. STEVENS. Alaska's history as a State is not long, but its story, the culture of its Native people, the determination and vitality of all its residents, and its contributions to the Nation and the world are all already legendary.

As we approach the 25th anniversary of the admission of our "Great Land," Alaska, into the Union, I want to make certain we remember the day Alaska became a State as one that will go down in history for Alaskans as well as all Americans.

The articles follow:

EXHIBIT 1

[From the Seattle Post-Intelligencer, May 19, 1958]

A VITAL COUNT-DOWN

There will be a count-down on the floor of the House of Representatives Wednesday vital to Alaska and important to everyone in the United States.

It will be a simple poll on whether the House undertakes immediate consideration of the bill to make Alaska the forty-ninth state.

Underneath, it is a vote on accepting the bill from the Interior Committee and bypassing autocratic chairman Howard Smith (D, Va.), who has it locked in a one-man pigeon hole in the Rules Committee. The Rules Committee normally determines when all bills go to the floor.

Alaskan bills have been before Congress for 42 years; Alaska has been awaiting statehood since it became a territory 91 years ago.

The President wants the bill. So does Speaker Rayburn.

There seems little question that the Senate will vote for it.

Both Democratic and Republican parties in their 1956 platforms pledged "immediate statehood" for Alaska.

Public opinion polls show that the American People favor statehood by 12 to 1.

A majority of members of the Rules Committee itself by private count are reported for the bill.

Thus Wednesday's count-down for Alaska is not voting to bypass the Rules Committee so much as it is voting to bypass Chairman Smith, who has said the bill will get out "over my dead body."

And every representative's vote to take up the bill will be a vote for the good of all except Mr. Smith, for he seems the only obstacle in America to statehood for Alaska in this session of the Congress.

[From the Washington Post, May 22, 1958]

HOUSE AGREES TO ACT ON ALASKA STATEHOOD

(By Richard L. Lyons)

The Alaska statehood bill passed its first big test yesterday when the House agreed to act on it, but its fate was still much in doubt.

By a 217-172 margin, the House voted to bypass its Rules Committee which had blocked the bill for 11 months. It then started debate which set off a series of stalling maneuvers and other tactics that could tie up the House for days.

The vote to go around the powerful Rules Committee was unusual. The committee is a legislative traffic cop which sets rules for floor action on most major bills. It can kill bills by pigeonholing them. Not often does the House interfere with it.

A statehood bill is one of a few types of legislation that can be taken to the floor without a rule. Backers were reluctant to do this because the bill will be acted on under general rules of the House which theoretically let each of the 435 members speak for one hour. Also, it could be amended to death.

The Rules Committee could have given it the protection of a rule limiting debate and barring crippling amendments. Statehood supporters took yesterday's action as a last resort, with the backing of Speaker Sam Rayburn, when they decided the Rules Committee would not act.

Rep. Howard W. Smith (D-Va.), Rules Committee chairman and a leading opponent of Alaska statehood, tried to head off the bill yesterday on a technical point that its "privileged" status was destroyed because this general legislation contained appropriations, in violation of House rules. Rayburn overruled him.

On the motion to take up the bill, 133 Democrats and 84 Republicans voted to act on it, while 100 Republicans joined 72 Democrats, mostly from the South, in voting to do nothing. Defeat of this motion probably would have killed the bill for this session.

All 10 Virginia Congressmen voted against considering the bill. All Maryland members voted for its except Reps. Edward T. Miller (R) and James P. S. Devereux (R).

Next hurdle for the statehood backers will be to limit debate. It could consume three months if each member took his hour. But a majority vote can cut it off at any time. Rep. Leo W. O'Brien (D-N.Y.) floor manager of the bill, said he plans to try to close debate this afternoon and vote on amendments Friday. Smith talked of "a couple weeks" of debate.

Four times during the afternoon opponents cut into the debate with demands for quorum calls. Each meant that fewer than 100 members were on the floor at the time.

If O'Brien is able to limit debate, opponents still can offer amendments as long as they want. Most feared by statehood backers is an effort to tack on the Hawaii statehood bill, a maneuver which in the past has always killed both. The Senate has an Alaska statehood bill on the floor, waiting for the House to act.

O'Brien told the House that statehood is necessary for full development of Alaska's resources. He said the territory is ready and wants statehood and that all polls show the American people do, too.

Rep. John R. Pillion (R-N.Y.) led off debate for the opponents with the big-state argument that statehood would give 200,000 Alaskans as much representation in the Senate as the biggest states. Addition of more states would dilute representation of the 48 states in both houses, he said.

[From the Washington Post, Apr. 2, 1958]

ACT ON ALASKA

Chairman Howard Smith of the House Rules Committee has had three months in this session of Congress, as well as several months in the last, to grant a rule on the Alaska statehood bill. This bill was reported by the House Interior Committee in June 1957. When Mr. Smith finally got around to holding a hearing last week, the meeting was adjourned for want of a quorum. This may not have been Mr. Smith's fault because of the unusual demands of the day. But Mr. Smith has voiced his own irreconcilability, and enough of his tactics has become evident to show that he envisages prolonged hearings to delve into all matters already gone into *ad nauseam* by the Interior Committee. This is a tyrannical abuse of the function of the Rules Committee, which is supposed to be a traffic director, not a dictatorial suppressor. If Speaker Rayburn means to stand by his pledge to help obtain passage of the statehood bill, it is time for him personally to take a hand.

[From the Washington Post, Mar. 30, 1958]

WHO WANTS ALASKA?

The people of Alaska, I know, greatly appreciate the support which The Washington Post has given our Alaska statehood cause, both through its excellent editorials and the always effective Herblock cartoons.

I would like to suggest one amendment, however, to your editorial of March 20, "Who Wants Alaska?"

For while you are correct in stating that 73 percent of the persons questioned in a recent Gallup Poll favor immediate statehood for Alaska, really that figure does not give an adequate idea of the overwhelming popular support which the poll showed. For while 73 percent favored immediate statehood for Alaska, only 6 percent were opposed and 21 percent had no opinion.

In reckoning the majority for statehood, clearly those who had no opinion are excludable. The pertinent figures, therefore, are 73 percent for and 6 percent against, a ratio of just over 12-1. This is overwhelming and is, perhaps, as close to unanimity as is ever attainable on almost any public issue.

It is therefore to be hoped that the Congress will not, as Dr. Gallup and The Post pointed out, lag "far behind public opinion," but will respond as an elective body under our democracy is expected to do. I doubt whether the 85th Congress could enact any legislation which would be more popular at home, and more useful abroad in demonstrating that the United States practices what it preaches.

[From the Washington Post, May 4, 1958]

THE CASE FOR ALASKA . . . REASONS FOR GRANTING STATEHOOD SUMMARIZED

(By Roscoe Drummond)

The outlook now is that Alaska will become the 49th state in the Union before the present Congress has run its course. The statehood bill has cleared the committees. An early vote in the House is in sight.

It has been before Congress since 1916 and its supporters are convinced that at last the votes are at hand to make Alaskan statehood a reality. Should Congress again say no:

It would be reneging on the most explicit commitment both parties ever put into their national platforms. In 1956 the Democrats and Republicans pledged "immediate statehood" for Alaska.

It would violate the manifest wishes of the American people who in a series of public opinion polls running from 1946 to 1958 have increased their support of Alaskan statehood from 5 to 1 to 12 to 1.

It would dishonor the promise of the 91-year-old treaty by which Alaska became an American territory and in which we pledged to give its inhabitants "all the rights, advantages, and immunities of the United States." The right to self-government is one of them. The right to be free from taxation without representation is another.

The more one examines the merits of Alaskan statehood, the more persuasive the case becomes. Obviously there are great advantages to the citizens of Alaska whose elected Representatives in the Territorial Legislature only last year voted unanimously for statehood. There are also many advantages to the United States, particularly when you consider that on this round earth Alaska is the doorstep to the American Continent and the most strategic outpost of our defenses as the alert-flights to the Arctic demonstrate.

All may not be familiar with such basic facts as these:

The Alaska people—85 per cent of the Alaskans are of the stock of the American pioneers who trekked across the plains and mountains to build the western United States. About 15 per cent are Eskimos, Aleuts and Indians. They are a sturdy, worthy and resourceful people.

The Alaskan population—At present it stands at 212,500. But the most significant fact is the rate of growth. Between 1950 and 1956 the population increased by 53,000 or 48.6 percent. Alaska has shown a greater percentage population growth than any state in the Union for 17 years.

At least 22 of our states had fewer people when Congress granted them admission.

Alaskan loyalty—Only in Alaska did the enemy invade North America in World War II. No more loyalty, no more patriotism, no more willingness, to sacrifice were displayed by any part of our people than by the Alaskans.

Alaskan communism—The last report made by the Federal Bureau of Investigation in 1951 stated that there were 10 Communists in Alaska. There is no reason to believe there are any more today, probably fewer. Would that we did as well in continental United States.

The Alaskan land—Business Week puts it this way: "Picture a land mass stretching from Maine to Florida, from the Great Lakes to the Gulf of Mexico, embracing 20 easternmost states. Wrap around it a coastline greater than that of the United States itself, and you have an image of Alaska, twice the size of Texas and one fifth as large as all the 48 states together."

Alaskan resources—The United States has already gotten back 425 times over the $7 million purchase price it paid to imperial Russia, in metals, minerals, timber and oil. Alaska is rich in resources. Geologists conservatively estimate that Alaska is one of the four great petroleum basins in the world, no wonder Alaska isn't developed when you consider that the Federal Government owns 99 per cent of the land.

[From the Anchorage Daily Times, May 8, 1958]

STATEHOOD, OIL, PLANES HIGHLIGHTED

Millions of readers the nation over have been reading newspaper stories on Alaska in the Scripps-Howard chain.

The stories, written by Scripps-Howard staff writer Albert M. Colegrove, were pegged to statehood, oil development, federal government red tape, fishing and "success stories."

Scripps-Howard owns a chain of 19 newspapers in the following cities: New York, Cleveland, Pittsburgh, San Francisco, Indianapolis, Columbus, Cincinnati, Knoxville, Denver, Birmingham, Memphis, El Paso, Houston, Fort Worth, Albuquerque, Evansville, Ind., and Washington, D.C.

Colegrove's first article appearing under an Anchorage dateline said:

"The air almost crackles with excitement today in Alaska's biggest city. Topics A, B and C (you hear them everywhere) are: oil, aviation, Alaska's chances for statehood . . . There's an oil hunt here that just may make the old gold rush look like penny ante stuff."

Colegrove's articles were written from many points in Alaska, including Anchorage, Fairbanks, Seward, Juneau, Ketchikan and Petersburg. From Ketchikan, Colegrove wrote:

"Alaskans, led by Gov. Mike Stepovich, are working desperately today to get more year-round business here. But they say the federal government's grip makes it tough."

From Petersburg, he wrote: "It is almost impossible to exaggerate the dislike most Alaskans feel today for the federal government overlords who rule this territory's lifeblood industry—fishing. They believe Washington's experts have all but ruined them."

Another story from Anchorage said: "Alaska is playing the oil game today for stakes higher than most people back in the states dream. . . . If this territory has even half the available oil that conservative businessmen and geologists suspect, world political strategy is due to be altered."

Colegrove, who is a former executive editor of the San Francisco News and a former Washington, D.C., correspondent for the newspaper chain, spent about two weeks in the territory last month.

During World War II he was stationed at Adak and Kodiak in the military service.

Using Anchorage contractor Walter Hickel as an example, Colegrove reported "success stories" of Alaskans who have made good in the business world. He wrote: "He's (Hickel) one of a whole breed of young Alaskans who, with ingenuity and guts, have changed the territory into the kind of a place they think merits a 49th star on the U.S. flag."

MESSAGES FROM THE PRESIDENT

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

EXECUTIVE MESSAGES REFERRED

As in executive session, the Acting President pro tempore laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the Committee on Armed Services.

(The nominations received today are printed in the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 10:26 a.m., a message from the House of Representatives, delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 2175. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes.

At 5:09 p.m., a message from the House of Representatives, delivered by Mr. Berry, announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 101. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1983 as Older Americans Month.

HOUSE BILL REFERRED

The following bill was read the first and second times by unanimous consent, and referred as indicated:

H.R. 2175. An act to amend the Omnibus Crime Control and Safe Streets Act of 1968, and for other purposes; to the Committee on the Judiciary.

HOUSE CONCURRENT RESOLUTION REFERRED

The following concurrent resolution was read and referred as indicated:

H. Con. Res. 101. Concurrent resolution expressing the sense of the Congress that the people of the United States should observe the month of May 1983 as Older Americans Month; to the Committee on the Judiciary.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-1037. A communication from the Secretary of the Senate, transmitting, pursuant to law, a full and complete statement of the receipts and expenditures of the Senate, showing in detail the items of expense under proper appropriations, the aggregate thereof, and exhibiting the exact condition of all public moneys received, paid out, and remaining in his possession from October 1, 1982 through March 31, 1983; ordered to lie on the table.

EC-1038. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report of the value of property, supplies, and commodities provided by the Berlin Magistrate and under the German Offset Agreement for the quarter January 1 through March 31, 1983; to the Committee on Appropriations.

EC-1039. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend chapter 157 of title 10, United States Code, to authorize the Secretary of Defense to provide transportation for next of kin of certain persons who are unaccounted for, to attend annual national meetings sponsored by the National League of Families of American Prisoners and Missing in Southeast Asia; to the Committee on Armed Services.

EC-1040. A communication from the Assistant Secretary of the Air Force (Manpower, Reserve Affairs, and Installations), transmitting a draft of proposed legislation to amend title 10, United States Code, to clarify the authority of the Armed Forces to conduct safety investigations of accidents involving aircraft of the Armed Forces and to protect from public disclosure certain parts of reports of such investigations; to the Committee on Armed Services.

EC-1041. A communication from the Administrator of the Energy Information Administration, Department of Energy, transmitting, pursuant to law, the 1982 Annual Energy Review; to the Committee on Energy and Natural Resources.

EC-1042. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to modify the boundary of the Pike National Forest in the State of Colorado, and for other purposes; to the Committee on Energy and Natural Resources.

EC-1043. A communication from the Acting Administrator of the Environmental Protection Agency, transmitting a draft of proposed legislation to amend and extend the Toxic Substances Control Act, as amended, for 2 years; to the Committee on Environment and Public Works.

EC-1044. A communication from the Director of the Resources, Community, and Economic development Division, General Accounting Office, transmitting, pursuant to law, a report entitled "The Costs and Benefits of Single Family Mortgage Revenue Bonds: Preliminary Report"; to the Committee on Finance.

EC-1045. A communication from the Secretary of Health and Human Services, transmitting a draft of proposed legislation to amend the Social Services Block Grant Act, to authorize consolidation of certain block grants to Indian tribes, and for other purposes; to the Committee on Finance.

EC-1046. A communication from the Chairman of the Foreign Claims Settlement Commission, Department of Justice, transmitting, pursuant to law, the annual report of the Commission for calendar year 1982; to the Committee on Foreign Relations.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table as indicated:

POM-157. A joint resolution adopted by the Legislature of the State of Utah; to the Committee on Agriculture, Nutrition, and Forestry:

"MILK PRODUCTION TAX RESOLUTION

"Whereas, Congress recently authorized the Department of Agriculture to impose a 50 cents per hundredweight assessment on milk production;

"Whereas, an additional 50 cents per hundredweight will be imposed on April 1, 1983, if surpluses are not below an acceptable level;

"Whereas, this assessment will cost a small dairyman up to $40 per day for every 100 cows, or more than $14,000 per year;

"Whereas, the stated purpose of the assessment is to reduce production, but is in fact counterproductive to reducing milk surpluses and unfairly penalizes the small dairyman;

"Whereas, most family dairy operations are experiencing very difficult economic times and this assessment will be devastating to dairy operators in Utah; and

"Whereas, a proper means of stopping overproduction would be to phase out the Price Support Program and let the free market prevail. Now, therefore, be it

"Resolved by the General Session of the 45th Legislature, That the Congress of the United States be requested to repeal this repressive assessment on dairy production and develop a plan to phase out the price support system.

"Be it further resolved, That the Lieutenant Governor forward a certified copy of this resolution to the Speaker of the House of Representatives and to the President of the Senate of the Congress of the United States and to each member of Utah's delegation to Congress."

POM-158. A resolution adopted by the Tinian Land Owner's Association requesting the Trusteeship Council of the United Nations to assist the people of Tinian, Northern Mariana Islands in obtaining just compensation for the taking of their private property by the United States Military; to the Committee on Energy and Natural Resources.

POM-159. A resolution adopted by the Senate of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTIONS MEMORIALIZING THE PRESIDENT AND THE CONGRESS OF THE UNITED STATES TO ESTABLISH INTERNATIONAL FLAG WEEK

"Whereas, the hope of world peace is shared by the citizens of all nations; and

"Whereas, the flag of each nation represents the reliefs and policies of that nation; and

"Whereas, the promotion of world peace would be motivated by a display of the flags of all nations illuminated by a "light of peace"; and

"Whereas, throughout the world each nation, at a designated period of time, would fly all national flags at its national capitol; now therefore be it

"Resolved, That the Massachusetts Senate hereby memorializes the President and the Congress of the United States to establish an 'International Flag Week' to coincide with our flag week in June of each year and urges all nations to participate in the display of the flags of all nations during said period in order to promote world peace; and

"Be it further resolved, That copies of these resolutions be transmitted forthwith by the clerk of the Senate to the President of the United States, to the Presiding Officers of each branch of Congress and to the Members of each branch of Congress from the Commonwealth of Massachusetts."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. ROTH, from the Committee on Governmental Affairs:

Special Report entitled "Federal Identification Fraud" (Rept. No. 98-84).

● Mr. ROTH. Mr. President, today, on behalf of the entire Senate Governmental Affairs Committee, I submit a report entitled: "Federal Identification Fraud." This report, the result of a yearlong investigation conducted by the Permanent Subcommittee on Investigations (PSI), is both timely and important because of its relevancy to the immigration reform legislation pending before Congress.

As chairman of PSI I have taken a very active interest in the problem of false indentification and, at my direction, hearings were held on June 15 and 16, and again on September 23, 1982, on fraud and abuse in the issuance of Federal identity documents. We also addressed the topic of the misuse of Federal identification to penetrate entitlement and other benefit programs. From these hearings we learned that false identification fraud is a growing underground industry within the United States, an industry which serves fugitives, terrorists, illegal aliens, and various other felons who are seeking to defraud Federal and State governments out of billions of dollars annually. Further, PSI's investigation revealed that the resolution of this enormous problem is one which requires modifications in our procedures for issuing identification documents, changes in the documents themselves, and an effective law enforcement effort directed at the criminal use of these documents.

This report identifies the need for more information sharing where Federal benefit programs are concerned. We were shocked to learn, as we did at our hearings, that even when a Federal law enforcement agency had information concerning false identities, that this information was not passed on to other law enforcement agencies.

Since PSI's 1982 hearings, Congress passed the False Identification Crime Control Act of 1982, Public Law 97-398, which establishes penalties for certain less false-identification-related crimes. Based on my review of the effectiveness of Federal agencies in combatting the problem of false identification, I am of the opinion that the U.S. Secret Service is expertly qualified to enforce Public Law 97-398, and should do so concurrent with other Federal law enforcement agencies. For the record, I am also submitting a copy of a letter I recently sent to the Attorney General expressing this viewpoint.

Finally, immigration reform legislation pending before Congress addresses many important social concerns, one of which is of particular interest to PSI. That is the requirement that the administration develop an identification card system so that employers can determine who is legally entitled to work in the United States. Based upon this subcommittee's demonstration of the failings and weaknesses of current Federal identification, I believe we have a responsibility to examine current and proposed plans in this area, and to insure that this effort is headed in the right direction.

Mr. President, I ask unanimous consent that the letter earlier mentioned be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
PERMANENT SUBCOMMITTEE
ON INVESTIGATIONS,
Washington, D.C.

Hon. WILLIAM FRENCH SMITH,
Attorney General,
U.S. Department of Justice,
Washington, D.C.

DEAR MR. ATTORNEY GENERAL: Recently Congress passed the False Identification Crime Control Act of 1982 (P.L. 97-398) and President Ronald Reagan signed this legislation into law thereby establishing penalties for certain false identification related crimes.

As Chairman of the Senate Permanent Subcommittee on Investigations, I have taken a very active interest in this area and, at my direction, the Subcommittee staff recently conducted a year-long investigation into the false identification problem. On September 23, 1982, the Subcommittee completed hearings on the fraud and abuse involved in the use of false federal identification documents and the threat it poses to entitlement and other benefit programs. The Subcommittee's investigation supported a 1976 Department of Justice study which estimated that the impact of false identification on government and business translated to a $15,000,000,000 loss to the American public. Adjusted to reflect inflation increases, this figure rises to a $24,000,000,000 lost in 1982. Our investigation further revealed that the resolution of this enormous problem is one which requires modifications in our procedures for issuing identification documents, changes in the documents themselves, and an effective law enforcement effort directed at the criminal use of these documents. The passage of P.L. 97-398 provides a real opportunity to address the lack of effective enforcement by collectively applying resources from the family of federal law enforcement agencies.

It is my understanding that this legislation does not assign law enforcement jurisdictional authority. In this regard, I would like to express my opinion that concurrent jurisdiction by all federal law enforcement agencies would not only be appropriate but would greatly enhance the effective enforcement of the laws created by this legislation. Assigning enforcement jurisdiction to one agency would be counterproductive to the control of a criminal problem of this magnitude.

The Subcommittee's year-long investigation of the false identification problem included interviews with numerous federal law enforcement officials. These interviews were designed to determine, among other things, the effectiveness of the various agencies in combating the problem of false identification. As a result we discovered several agencies which are both well qualified and willing to enforce the laws created by P.L. 97-398.

Expressing a particularly enthusiastic interest in this area of investigation was the U.S. Secret Service. We found the Secret Service to be eminently qualified to enforce false identification laws. Historically, they have over one hundred years of experience in the investigation of crimes relating to the counterfeiting and forgery of obligations of the United States. The Secret Service has found that individuals who engage in the counterfeiting of currency often engage in the counterfeiting of items of identification. Additionally, the negotiation of counterfeited or stolen U.S. government checks and bonds is most often accomplished using false identification documents. These factors result in substantial contact, during the course of their investigations, with criminals who manufacture or use false identification. As part of its effort to combat crimes of counterfeiting and forgery, the Secret Service maintains laboratory facilities, employee expertise, and liaison with the printing industry. These attributes could easily be applied to the investigation of false identification crimes.

I chose to highlight the Secret Service because of my personal knowledge of their interest in this matter, however they are but one example of the various federal law enforcement agencies whose experience, expertise, and resources would be invaluable in contending with the enormous problem of false identification. This problem, because of its magnitude, will potentially defy the efforts of any single law enforcement agency—especially at a time when resources are at a premimum. For this reason and because crimes involving false identification cross existing jurisdictional lines, I have concluded that concurrent law enforcement jurisdictional authority would result in the most effective application of enforcement effort to this problem.

I urge you to seriously consider these considerations in arriving at your decision on the question of law enforcement jurisdiction and encourage some form of concurrent jurisdiction be assigned to the law created by the False Identification Crime Control Act of 1982.

Sincerely,

WILLIAM V. ROTH, Jr.,
Chairman.●

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. HELMS, from the Committee on Agriculture, Nutrition, and Forestry:

Daniel G. Amstutz, of New York, to be Under Secretary of Agriculture for International Affairs and Commodity Programs.

(The above nominations was reported from the Committee on Agriculture, Nutrition, and Forestry with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DURENBERGER:

S. 1267. A bill to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. SPECTER:

S. 1268. A bill to amend the Immigration and Nationality Act to provide for the adjustment of status to that of aliens lawfully admitted to the United States for permanent residence for certain alien parents of children born in the United States; to the Committee on the Judiciary.

S. 1269. A bill for the relief of Shailesh K. Patel and Premlata Patel; to the Committee on the Judiciary.

By Mr. DECONCINI (for himself and Mr. HATCH):

S. 1270. A bill to amend title 17, United States Code, regarding the Copyright Royalty Tribunal; to the Committee on the Judiciary.

By Mr. CHAFEE (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. BENTSEN, Mr. DOMENICI, Mr. MITCHELL and Mr. BAKER):

S. 1271. A bill to encourage citizen participation in wildlife conservation programs and to establish the National Fish and Wildlife Foundation; to the Committee on Environment and Public Works.

By Mr. ROTH:

S. 1272. A bill to amend the Internal Revenue Code of 1954 to impose a use tax with regard to the use of the services of the Commodity Futures Trading Commission; to the Committee on Finance.

By Mr. SYMMS (for himself, Mr. MCCLURE, Mrs. HAWKINS, Mr. COHEN and Mr. GORTON):

S. 1273. A bill to direct the Secretary of Agriculture to conduct, in accordance with law and the intent of the Congress, the pilot project study of alternative means of providing assistance under the school lunch program previously authorized by law, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ABDNOR:

S. 1274. A bill for the relief of Martin Navarro; to the Committee on the Judiciary.

By Mr. HEFLIN:

S. 1275. A bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted, and for other purposes; to the Committee on the Judiciary.

By Mr. MITCHELL:

S. 1276. A bill to provide that the pensions received by retired judges who are assigned to active duty shall not be treated as wages for purposes of the Social Security Act; to the Committee on Finance.

By Mr. MELCHER:

S. 1277. A bill to amend the joint resolution making further continuing appropriations and providing for productive employment for the fiscal year 1983, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. MELCHER (for himself, Mr. TSONGAS, Mr. STENNIS, and Mr. COCHRAN):

S. 1278. A bill to provide for an accelerated program of research, development and demonstration with respect to the production of electricity from magnetohydrodynamics, leading to the construction and operation of at least one major proof of concept demonstration project in connecton with an existing electric powerplant, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HELMS (for himself, Mr. MCCLURE, Mr. EAST and Mr. NICKLES):

S. 1279. A bill to amend the Food Stamp Act of 1977 to establish a State block grant option for the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. DODD (for himself and Mr. WEICKER):

S.J. Res. 99. A joint resolution designating May 1983 as "Purple Heart Month", and honoring the three original recipients of the Purple Heart; to the Committee on the Judiciary.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. BAKER (for himself, Mr. RANDOLPH, Mr. HELMS, Mr. HOLLINGS, Mr. STENNIS, Mr. FORD, Mr. SASSER, Mr. HEFLIN, Mr. BURDICK, Mr. STAFFORD, Mr. HATFIELD, and Mr. HUDDLESTON):

S. Res. 140. A resolution to celebrate the 50th anniversary of the Tennessee Valley Authority, a public enterprise that works; to the Committee on Environment and Public Works.

By Mr. BAKER (for himself and Mr. BYRD):

S. Res. 141. A resolution to authorize the testimony of Vince Thomas; considered and agreed to.

By Mr. HUDDLESTON:

S. Res. 142. A resolution to limit multiple warhead ICBM's; to the Committee on Foreign Relations.

By Mr. CRANSTON:

S. Con. Res. 34. A concurrent resolution expressing the sense of the Congress in support of a call for jobs with peace; to the Committee on Appropriations.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURENBERGER:

S. 1267. A bill to transfer from the Director of the Office of Management and Budget to the Administrator of General Services the responsibility for publication of the catalog of Federal domestic assistance programs, and for other purposes; to the Committee on Governmental Affairs.

PUBLICATION OF CATALOG OF FEDERAL DOMESTIC ASSISTANCE PROGRAMS

Mr. DURENBERGER. Mr. President, today I am introducing a bill to transfer from the Director of the Office of Management and Budget (OMB) to the Administrator of the General Services Administration (GSA) part of the responsibility for publication of the Catalog of Federal Domestic Assistance. This legislation would also make certain improvements to the data base underlying the catalog.

In the Federal Program Information Act of 1977, the Director of OMB is charged with responsibility for the efficient and regular distribution of current information on Federal domestic assistance programs. It requires the Director to establish a data base and to develop a data retrieval system for domestic programs. It further charges him with responsibility for disseminating program information to the public and State and local governments. The Catalog of Federal Domestic Assistance was developed pursuant to this act. It is a compendium of Federal programs, projects, services, and activities which provide assistance or benefits to the American public. It contains financial and nonfinancial assistance programs administered by departments and establishments of the Federal Government. It is the most comprehensive coverage of Federal programs available.

The bill I am introducing today grew out of a desire by OMB to transfer most of the functions connected with the Program Information Act out of the Office and assign them to the General Services Administration. Such a total transfer of responsibility would have been a mistake.

Under current law, the Director is solely responsible for the catalog and its underlying data base—from initial collection of the data, verification and correction of the data, to designing the catalog's format, to its actual publication. It is understandable that OMB would like to move the production responsibilities out of the Office. But, it is essential that the Director remain responsible for actually collecting the data from the agencies, for final approval of the data as it goes into the catalog, and for the format of the catalog.

After extensive consultations with OMB, it was agreed that the actual preparation, printing, and distribution of the catalog would be permitted to move over to GSA. Oversight, validation and correction of data submitted by the agencies, and policy setting concerning implementation of the act would remain the responsibility of OMB. Moreover, OMB would remain responsible for collecting the data from the agencies.

This legislation is the result of these discussions. It permits a transfer of actual production responsibilities at the same time it insures that OMB will continue to be responsible for overseeing the implementation of the Program Information Act. Under this bill, OMB will continue to maintain day-to-day control over the program information system and will continue to serve as the central contact of the

line agencies with respect to Federal assistance program information.

Finally, Mr. President, the bill I am introducing today tightens up the definition of "allocation formula" as presently used in the Federal Program Information Act, and establishes standards for compiling information on formulas and the associated data and statistical estimates. It is a great improvement over the existing situation where the information on formulas is not reported on a standardized basis.

By Mr. SPECTER:

S. 1268. A bill to amend the Immigration and Nationality Act to provide for the adjustment of status to that of aliens lawfully admitted to the United States for permanent residence for certain alien parents of children born in the United States; to the Committee on the Judiciary.

S. 1269. A bill for the relief of Shailesh K. Patel and Premlata Patel; to the Committee on the Judiciary.

IMMIGRATION LEGISLATION

● Mr. SPECTER. Mr. President, I rise today to reintroduce a bill to grant permanent residency to immigrants who have lived in this country continuously for at least 7 years, have American-born children, and have no criminal record. I have also sent to the desk special legislation on behalf of an immigrant family in Pennsylvania now facing deportation who would qualify for permanent residency under my general legislation which I have today submitted.

I offer this legislation fully hoping that passage of S. 529, the Immigration Reform and Control Act, will render my legislation unnecessary. However, with its passage still uncertain and the family in question facing imminent deportation, this legislation is timely now.

These bills recognize that millions of immigrants who have entered or remained in the United States in technical violation of our immigration laws, after having lived here for many years, have become for all practical purposes contributing, productive, and dedicated citizens of this country. During their long period of residence in the United States, they have accrued undisputed equitable interests in remaining here, the most important of which is their American-born children.

The children born in this country to illegal immigrants are eligible for full American citizenship. Frequently, this is the only home they have ever known, or wish to know. It is grossly inconsistent with any notions of humanitarianism to deport these children or to force their separation from their parents. Whatever the legal status of the parents' presence in this country, it does not justify uprooting these children from their only real home to be sent to foreign lands where their adjustment must inevitably be painful, if not impossible.

An egregious example of the consequences of our present laws is the case of the Patel family in suburban Philadelphia. Shailesh Patel has lived in this country for 17 years, since leaving India. His wife, Premlata, has been here for 11 years. They have three young children who attend school here and have made close friends.

The Patel family have been good citizens. The children have absolutely no familiarity with India and cannot speak their parents' native dialect and cannot possibly succeed in school there. Mr. Patel is well liked in his community and has operated a successful service station for many years.

I have taken the time and had occasion to visit the Patels in their home in suburban Philadelphia, a beautiful home, indicative of the contribution which they have made to this country. I have visited Mr. Patel's service station and can personally attest to the fact that Mr. Patel is a productive, law-abiding citizen.

The Patels are now faced with a deportation order under which they will be forced to return to India. Their American dream will be brought to an abrupt and painful end if that deportation order is carried out.

The forced exclusion of such hard-working, conscientious, and community-spirited people is certainly not what our immigration laws were designed to accomplish. This is certainly the case when their effect is to permanently disrupt the lives of young, American-born children.

Last year, the Senate passed an immigration bill which included a provision which would have allowed the Patels to remain in the United States. Unfortunately, this bill died in the House of Representatives, necessitating the reintroduction of these measures this Congress.

Mr. President, I am the son of immigrants. My parents came to this country with little more than an ambition of making a better life for their family than they had known themselves. Shailesh Patel—and thousands of immigrants like him who have lived and worked in this country for many years—harbors the same ambition for himself and his family.

Through hard work and initiative, he and his wife have come far toward realizing their ambition, and in doing so have enriched the lives of their community and the United States.

We are a Nation that has grown great by opening its doors. To allow immigrants who have made a productive life for themselves here and who seek to contribute to their communities to join us as citizens is to the benefit of all and to the benefit of the United States.

I urge early consideration and passage of these bills.

Mr. President, I ask unanimous consent to have the bills printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 1268

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Alien Parental Amnesty Act of 1983".

SEC. 2. (a) The Immigration and Nationality Act is amended by inserting after section 244 of such Act the following:

"ADJUSTMENT OF STATUS OF CERTAIN ALIEN PARENTS OF CHILDREN BORN IN THE UNITED STATES

"SEC. 244A. (a) Notwithstanding any other provision of law and except as provided in subsection (b), the Attorney General shall adjust the status to that of an alien lawfully admitted for permanent residence an alien who—

"(1) makes an application for such adjustment;

"(2) has been physically present in the United States (excluding Puerto Rico, Guam, and the Virgin Islands) for a continuous period of not less than seven years immediately preceding the date of such application; and

"(3) is the parent of a child born in the United States.

"(b) The provisions of subsection (a) shall not apply to any alien who—

"(1) is inadmissible under section 212(a) insofar as it relates to criminals, procurers, and other immoral persons, subversives, violators of the narcotic laws or smugglers of aliens; or

"(2) ordered or participated in the persecution of any person because of race, religion, national origin, sex, or political opinion.

"(c) Upon the approval of an application for adjustment made under subsection (a), the Attorney General shall record the alien's lawful admission for permanent residence as of the date of such approval.

"(d) Any adjustment of status made by the Attorney General under this section shall be without regard to, and shall have no effect on, any numerical limitation contained in this Act."

(b) The table of contents for such Act is amended by inserting after the item relating to section 244 the following:

"Sec. 244A. Adjustment of status of certain alien parents of children born in the United States".

S. 1269

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding paragraph (14) of section 212(a) of the Immigration and Nationality Act, for purposes of such Act, Shailesh K. Patel and Premlata Patel shall be held and considered to have been lawfully admitted to the United States for permanent residence as of the date of the enactment of this Act upon payment of the required visa fees. Upon the granting of permanent residence to such aliens as provided for in this Act, the Secretary of State shall instruct the proper officer to reduce by the proper number, during the current fiscal year or the fiscal year next following, the total number of immigrant visas which are made

available under section 203(a) of the Immigration and Nationality Act to natives of the countries in which the aliens were born or, if applicable, the total number of immigrant visas which are made available under section 202 of such Act to natives of the countries in which the aliens were born.●

By Mr. DECONCINI (for himself and Mr. HATCH):

S. 1270. A bill to amend title 17, United States Code, regarding the Copyright Royalty Tribunal; to the Committee on the Judiciary.

FREE MARKET COPYRIGHT ROYALTY ACT OF 1983

● Mr. DECONCINI. Mr. President, today I am introducing a bill that amends the Copyright Act to bring equity to the relationship between the copyright holders and one group of users of copyrighted material. This bill, the Free Market Copyright Royalty Act of 1983, is designed to substitute a free market alternative to an artificial Government-imposed relationship between parties, and improve decisionmaking at an agency that we, the Congress, created in 1976, the Copyright Royalty Tribunal.

When we created the Tribunal, it was our hope that this agency would serve, among other functions, as an effective and fair referee in a legally and economically complex area, the determination, adjustment, and distribution of royalty rates for the retransmission of over-the-air broadcast signals. The CRT was charged by Congress in 1976 to adjust the royalty rates set by statute for the retransmission of distant Nonnetwork television programing under a compulsory license if certain rules and regulations of the Federal Communications Commission were changed. When such adjustment became necessary, as it did in 1981, Congress expected that the CRT would balance the interests of copyright holders in receiving a fair return for their creative work against the interests of the copyright user in receiving a fair income from such use while considering the public interest in access to such copyrighted material. In at least one area addressed by the CRT rate adjustment decision, I believe that the CRT has erred in its balancing responsibility. The legislation I introduce today will correct this error. Because I believe that the CRT's error was caused at least in part by Congress failure to provide it adequate professional staff, particularly lawyers and economists, I have included provisions in my legislation which reform the basic structure of the CRT.

On November 19, 1982, the CRT issued a decision which increased the royalty and the amount the cable system must pay for carriage of the signal of any distant broadcast station it was not permitted to carry under FCC rules in effect as of June 24, 1981. Parties who believed themselves aggrieved by this decision were able to get its effect delayed by Congress until March 15, 1983. I resisted the efforts in Congress to stay the CRT decision because I support the general principle that copyright holders are entitled to just compensation for use of their creative works. I was not then, and am not now, persuaded that the CRT decision does not represent a proper balancing of the economic interest involved in this dispute. The CRT decision is an appeal before the Federal courts and they shall determine the reasonableness and fairness of the basic issue of the adjustment of royalty rates.

I am convinced, however, that the CRT erred in not allowing the free market to work to determine compensation in the one area that it is already doing so. If a broadcast television station has become a national cable broadcast network with a sufficiently large national audience and advertiser base to require payment of equitable copyright licensing fees to program suppliers in direct marketplace negotiations, then the CRT and Congress should recognize and sanction such negotiations. In the presence of such direct licensing practices, there is no need for the supplementary fee imposed by the CRT. Moreover, program suppliers will receive a windfall if, in addition to the marketplace licensing fee, they receive a second large payment based on the CRT's increased royalty rate.

The effect of the CRT decision has been to deny access to one or more distant broadcast stations to millions of Americans. While I reiterate my belief in fair compensation, I believe that a mechanism must be found to insure such compensation while maximizing public access to creative works. I have been disturbed to read literature put out by a very interested party to this dispute, trumpeting the CRT decision as a great victory because it will lessen competition for its members. While considering the bill I introduce today, I believe the new Judiciary Subcommittee on Patents, Copyrights, and Trademarks should closely examine the anticompetitive aspects of the CRT decision and the statute upon which it was based.

Let me urge my colleagues to support this bill's free market alternative. There is no need for an artificial Government-imposed relationship between the parties involved in this copyright use. My bill will bring equity to this relationship between copyright holders and national cable broadcast networks and will halt the windfall which some program suppliers have gained by this decision. I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1270

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

SHORT TITLE

SECTION 1. This Act may be cited as the "Free Market Copyright Royalty Act of 1983".

FINDINGS

SEC. 2. The Congress hereby finds that—

(1) in order to promote the availability and diversity of nationally distributed television programing for the public, national cable broadcast networks are needed that will provide to cable subscribers a full range of news, information, sports, and entertainment services; and

(2) the Copyright Royalty Tribunal lacks adequate professional staff to perform effectively its statutory functions.

DISTANT SIGNAL ROYALTIES

SEC. 3. Section 801(b)(2) of title 17, United States Code, is amended by—

(1) striking out "; and" in subparagraph (D) and inserting in lieu thereof a period; and

(2) inserting at the end thereof the following new subparagraph:

"(E)(i) Notwithstanding the provisions of subparagraph (B), the Tribunal shall exempt from any adjustments in copyright royalty rates made pursuant to this subsection the carriage by any cable system (including functional equivalents thereof), as defined in section 111(f) of this title, of any national cable broadcast network signal. Carriage of a national cable broadcast network signal pursuant to such exemption shall be subject solely to the royalty rate provisions of section 111(d)(2)(B), as adjusted in accordance with section 801(b)(2)(A), and shall not count against the complement of signals referred to in clauses (i) and (ii) of subparagraph (B). For purposes of this subsection, the term 'national cable broadcast network' means a television broadcast station that has been classified as such by the Tribunal. The Tribunal shall so classify any television broadcast station that requests such classification upon the certification by the station that—

"(I) the station's signal is distributed nationally for carriage by cable systems and the station promotes such carriage;

"(II) the station's commercial practices and rates seek to compensate the station for its national audience;

"(III) the station's share of the national viewing audience is measured regularly by the major national rating measurement services; and

"(IV) copyright owners who supply works for performance or display over the station are aware of the national distribution of the station's signal.

"(ii) The Tribunal shall issue, within thirty days after its receipt of such certification, its classification of the station as a national cable broadcast network if it finds that the certification meets the standards set forth in this section. The decision of the Copyright Royalty Tribunal to deny classification as a national cable broadcast network shall be reviewable de novo in Federal district court; and".

MEMBERSHIP OF THE TRIBUNAL

SEC. 4. (a) Upon expiration of the terms of office of the three commissioners of the Copyright Royalty Tribunal whose terms expire on September 27, 1984, no person shall be appointed to fill either of two of

such offices after such date. Such two offices shall be abolished effective on September 28, 1984.

(b) Effective on the date on which the offices of two Tribunal commissioners are abolished pursuant to subsection (a) of this section, section 802(a) of title 17, United States Code, shall be amended by striking out "five" the first place it appears in the first clause and inserting in lieu thereof "three".

STAFF OF THE TRIBUNAL

SEC. 5. (a) Section 805 of title 17, United States Code, is amended by adding at the end thereof a new subsection as follows:

"(c) The Tribunal shall appoint, and fix appropriate compensation for a General Counsel and a Chief Economist to carry out the functions customarily performed by persons with such titles.".

(b) The appointments mandated by section 805(c) of title 17, United States Code, as added by subsection (a) of this section shall commence no earlier than the date on which the membership of the Tribunal is reduced from five commissioners to three commissioners, pursuant to section 4 of this Act.●

THE COPYRIGHT ROYALTY TRIBUNAL REFORM ACT OF 1983

● Mr. HATCH. Mr. President, in June 1981, the General Accounting Office issued a report entitled, "The Operation of the Copyright Royalty Tribunal," which noted several problems with the Copyright Royalty Tribunal requiring congressional attention. These problems have persisted, making the GAO's recommendations equally relevant today. The Copyright Royalty Tribunal Reform Act of 1983 addresses some of the GAO identified problems. For instance, there has been some concern over the need for five CRT commissioners, while there is a clear need for access by commissioners to technical legal assistance and economic analysis.

This CRT reform bill directs the CRT to appoint a general counsel and chief economist. But, rather than increase appropriations for the CRT, funds for these added personnel will be provided by reducing the number of commissioners from five to three. These changes are welcome, and will remove the CRT from past criticisms regarding its limited workload and the professional quality of its work, and are consistent with GAO recommendations.

Many of my colleagues also share my concern over the limited expertise brought to the CRT by past commissioners. I wish to express my hope that further vacancies at the Commission will be filled by individuals with expertise or with extensive experience in those issues which the CRT must address. In its study, the GAO compared the CRT with six other Federal rate setting and adjudicatory organizations. In only one case, however, did legislation establish criteria for the selection of commissioners; and in every organization, appointments of individuals with appropriate expertise was the rule. This "rule" should also apply to the appointment of CRT commissioners.

The CRT reform bill also addresses a limited, but significant inhibition of market forces aggravated by the CRT's recent increases in the compulsory license royalty rates cable systems pay for the right to retransmit the signals of certain distant broadcast stations. As a result of the wide distribution on cable of some signals, broadcast stations have the potential to become national cable broadcast stations. Such stations, with a large national audience and advertiser base, are fully capable of paying copyright licensing fees to program suppliers in direct, marketplace negotiations. Where this is the practice, there is no need for a second, supplementary fee based on the CRT's increased compulsory license for cable. This bill will require the CRT to undertake certification of broadcast stations seeking classification as a national cable broadcast station, and thus being capable of providing licensing royalties directly to program suppliers rather than through the artificial compulsory license mechanism.

This bill does not purport to address the impact of cable's compulsory license rights on the competitiveness between local broadcasters and local cable distribution services. Indeed, the necessity of the compulsory license mechanism in this context is the subject of some dispute. The Register of Copyrights, David Ladd, has expressed the belief that "the cable compulsory license is no longer justifiable." The CRT, however, has stated that "a cable compulsory license is necessary." I believe that no unfair competitive advantage should be enjoyed by either local broadcasters or by local cable operators, and favor the benefits of direct, marketplace negotiations, when feasible.

Mr. President, this bill will streamline the CRT and significantly enhance its ability to professionally carry out its responsibilities. At the same time, it will promote feasible, direct marketplace negotiations between suppliers and broadcasters in limited circumstances. I would like to commend Senator DECONCINI for his interest in copyright matters and his interest in the effective operation of the Copyright Royalty Tribunal.●

By Mr. CHAFEE (for himself, Mr. STAFFORD, Mr. RANDOLPH, Mr. BENTSEN, Mr. DOMENICI, and Mr. MITCHELL):

S. 1271. A bill to encourage citizen participation in wildlife conservation programs and to establish the National Fish and Wildlife Foundation; to the Committee on Environment and Public Works.

NATIONAL FISH AND WILDLIFE FOUNDATION ESTABLISHMENT ACT

● Mr. CHAFEE. Mr. President, today I am introducing along with Senators STAFFORD, RANDOLPH, BENTSEN, DOMENICI, and MITCHELL, legislation to establish a Fish and Wildlife Foundation. The impetus for this legislation is the generosity of Ted Gianoutsos, an employee of the Department of the Interior, and his wife, Francoise, who have offered to provide the initial funding to establish the foundation.

The legislation is modeled after similar legislation for the National Park Foundation and would establish a charitable and nonprofit corporation which accepts and administers gifts from private citizens for the purposes of fish and wildlife conservation.

The foundation would have a board of nine members, all appointed by the Secretary of the Interior, who would serve 4-year terms. The terms of the initial board are to be staggered and the legislation requires that the board represent diverse points of view relating to fish and wildlife conservation. At least 3 of the members must be educated and experienced in the principles of fish and wildlife conservation.

Mr. President, I hope this legislation will encourage citizens participation in our wildlife conservation programs. The responsibilities of the Fish and Wildlife Service are great and, like most agencies, they face tight budget requirements. Wildlife habitat acquisition, public education about wildlife, endangered species recovery, hunter ethics, and a number of other programs enjoy broad public support but limited funding.

The foundation will provide a means for those concerned with wildlife conservation to lend a hand in a direct and meaningful way. I urge my colleagues to join me in supporting this legislation and thanking Mr. and Dr. Gianoutsos for their hard work, dedication, and generosity.

Mr. President, I ask unanimous consent that text of the bill be printed in the RECORD.

S. 1271

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

SECTION 1. SHORT TITLE.

This Act may be cited as the "National Fish and Wildlife Foundation Establishment Act".

SEC. 2. ESTABLISHMENT AND PURPOSES OF FOUNDATION.

(a) ESTABLISHMENT.—There is established the National Fish and Wildlife Foundation (hereinafter in this Act referred to as the "Foundation"). The Foundation is a charitable and nonprofit corporation and is not an agency or establishment of the United States.

(b) PURPOSES.—The purposes of the Foundation are—

(1) to encourage, accept, and administer private gifts of property for the benefit of, or in connection with, the activities and

services of United States Fish and Wildlife Service; and

(2) to undertake and conduct such other activities as will further the conservation and management of the fish and wildlife resources of the United States, and its territories and possessions, for present and future generations of Americans.

SEC. 3. BOARD OF DIRECTORS OF THE FOUNDATION.

(a) ESTABLISHMENT AND MEMBERSHIP.—The Foundation shall have a governing Board of Directors (hereinafter referred to in this Act as the "Board"), which shall consist of 9 Directors, each of whom shall be a United States citizen and—

(1) 6 of whom must be knowledgeable or experienced in fish and wildlife conservation; and

(2) 3 of whom must be educated and experienced in the principles of fish and wildlife management. The membership of the Board, to the extent practicable, shall represent diverse points of view relating to fish and wildlife conservation. The Director of the United States Fish and Wildlife Services shall be an ex officio nonvoting member of the Board. Appointment to the Board shall not constitute employment by, or the holding of an office of, the United States for the purposes of any Federal law.

(b) APPOINTMENT AND TERMS.—By December 31, 1983, the Secretary of the Interior (hereinafter referred to in this Act as the "Secretary") shall appoint the Directors of the Board. The Directors shall be appointed for terms of four years; except that the Secretary, in making the initial appointments to the Board, shall appoint 3 Directors to a term of 2 years, 3 Directors to a term of 4 years, and 3 Directors to a term of 6 years. A subsequent vacancy on the Board shall be filled within 60 days of said vacancy in the manner in which the original appointment was made.

(c) CHAIRMAN.—The Chairman shall be elected by the Board from its members for a two-year term.

(d) QUORUM.—A majority of the current membership of the Board shall constitute a quorum for the transaction of business.

(e) MEETINGS.—The Board shall meet at the call of the Chairman at least once a year. If a Director misses three consecutive regularly scheduled meetings, that individual may be removed from the Board and that vacancy filled in accordance with subsection (b).

(f) REIMBURSEMENT OF EXPENSES.—Members of the Board shall serve without pay, but may be reimbursed for the actual and necessary travelling and subsistence expenses incurred by them in the performance of the duties of the Foundation.

(g) GENERAL POWERS.—(1) The Board may complete the organization of the Foundation by—

(A) appointing officers and employees;

(B) adopting a constitution and bylaws consistent with the purposes of the Foundation and the provisions of this Act; and

(C) undertaking of other such acts as may be necessary to carry out the provisions of this Act.

(2) The following limitations apply with respect to the appointment of officers and employees of the Foundation:

(A) Officers and employees may not be appointed until the Foundation has sufficient funds to pay them for their service. Officers and employees of the Foundation shall be appointed without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, and may be paid without regard to the provisions of chapter 51 and subchapter III of chapter 53 of such title relating to classification and General Schedule pay rates, except that no individual so appointed may receive pay in excess of the annual rate of basic pay in effect for grade GS-18 of the General Schedule.

(B) The first officer or employee appointed by the Board shall be the Secretary of the Board who (i) shall serve, at the direction of the Board, as its chief operating officer, and (ii) shall be knowledgeable and experienced in matters relating to fish and wildlife conservation.

SEC. 4. RIGHTS AND OBLIGATIONS OF THE FOUNDATION

(a) IN GENERAL.—The Foundation—

(1) shall have perpetual succession;

(2) may conduct business througout the several States, territories, and possessions of the United States;

(3) shall have its principal offices in the District of Columbia; and

(4) shall at all times maintain a designated agent authorized to accept service of process for the Foundation.

The serving of notice to, or service of process upon, the agent required under paragraph (4), or mailed to the business address of such agent, shall be deemed as service upon or notice to the Foundation.

(b) SEAL.—The Foundation shall have an official seal selected by the Board which shall be judicially noticed.

(c) POWERS.—To carry out its purposes under section 2, the Foundation shall have, in addition to the powers otherwise given it under this Act, the usual powers of a corporation acting as a trustee in the District of Columbia, including the power—

(1) to accept, receive, solicit, hold, administer and use any gift, devise, or bequest, either absolutely or in trust, of real or personal property or any income therefrom or other interest therein;

(2) to acquire by purchase or exchange any real or personal property or interest therein;

(3) unless otherwise required by the instrument of transfer, to sell, donate, lease, invest, reinvest, retain or otherwise dispose of any property or income therefrom;

(4) to borrow money and issue bonds, debentures, or other debt instruments;

(5) to sue and be sued, and complain and defend itself in any court of competent jurisdiction, except that the Directors of the Board shall not be personally liable, except for gross negligence;

(6) to enter into contracts or other arrangements with public agencies and private organizations and persons and to make such payments as may be necessary to carry out its function; and

(7) to do any and all acts necessary and proper to carry out the purposes of the Foundation.

For purposes of this Act, an interest in real property shall be treated as including, among other things, easements or other rights for preservation, conservation, protection, or enhancement by and for the public of natural, scenic, historic, scientific, educational, inspirational, or recreational resources. A gift, devise, or bequest may be accepted by the Foundation even though it is encumbered, restricted, or subject to beneficial interests of private persons if any current or future interest therein is for the benefit of the Foundation.

(d) CERTAIN LANDS, WATERS, AND INTERESTS NOT SUBJECT TO CONDEMNATION.—No lands or waters, or interests therein, that are owned by the Foundation and are determined by the Director of the United States Fish and Wildlife Service or the Migratory Bird Conservation Commission, as the case may be, to be valuable for purposes of fish and wildlife conservation or management shall be subject to condemnation by any State or political subdivision, or any agent or instrumentality thereof.

SEC. 5. EXEMPTIONS FROM TAXATION.

The Foundation and any income or property received or owned by it, and all transactions relating to such income or property, shall be exempt from all Federal, State, and local taxation with respect thereto. The Foundation may, in the discretion of the Board, contribute toward the costs of local government in amounts not in excess of which, as a charitable and nonprofit corporation, it would be obligated to pay such government if it were not exempt from taxation under this section, and may agree to so contribute with respect to property transferred to it and the income derived therefrom if such agreement is a condition of the transfer. Contributions, gifts, and other transfers made to the Foundation shall be regarded as contributions, gifts, or transfers to the United States. The conveyance of any qualified real property interest to the Foundation shall be deemed to further a governmental conservation policy and yield a significant public benefit for purposes of section 170(h) of the Internal Revenue Code of 1954 (relating to qualified conservation contributions).

SEC. 6. ADMINISTRATIVE SERVICES AND SUPPORT.

The Secretary may provide personnel, facilities, and other administrative services to the Foundation, including reimbursement of expenses under section 3, not to exceed then current Federal Government per diem rates, for a period of up to five years from the date of enactment of this Act, and may accept reimbursement therefor, to be deposited in the Treasury to the credit of the appropriations then current and chargeable for the cost of providing such services.

SEC. 7. VOLUNTEER STATUS.

The Secretary may accept, without regard to the civil service classification laws, rules, or regulations, the services of the Foundation, the Board, and the officers and employees of the Board, without compensation from the Department of the Interior, as volunteers in the performance of the functions authorized herein, in the manner provided for under section 7(c) of the Fish and Wildlife Act of 1956 (16 U.S.C. 742f(c)).

SEC. 8. AUDITS, REPORT REQUIREMENTS, AND PETITION OF ATTORNEY GENERAL FOR EQUITABLE RELIEF.

(a) AUDITS.—For purposes of the Act entitled "An Act for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (Public Law 88-504, 36 U.S.C. 1101-1103), the Foundation shall be treated as a private corporation established under Federal law.

(b) REPORT.—The Foundation shall, as soon as practicable after the end of each fiscal year, transmit to Congress a report of its proceedings and activities during such year, including a full and complete statement of its receipts, expenditures, and investments.

(c) RELIEF WITH RESPECT TO CERTAIN FOUNDATION ACTS OR FAILURE TO ACT.—If the Foundation—

(1) engages in, or threatens to engage in, any act, practice, or policy that is inconsistent with its purposes set forth in section 2(b); or

(2) refuses, fails, or neglects to discharge its obligations under this Act, or threatens to do so;

the Attorney General of the United States may petition in the United States District Court for the District of Columbia for such equitable relief as may be necessary or appropriate.

SEC. 9. UNITED STATES RELEASE FROM LIABILITY.

The United States shall not be liable for any debts, defaults, acts, or omissions of the Foundation nor shall the full faith and credit of the United States extend to any obligation of the Foundation.

SEC. 10. AMENDMENT AND REPEAL.

The Congress expressly reserves the right to repeal or amend this Act at any time.

SEC. 11. AUTHORIZATION OF APPROPRIATIONS.

For the 10-year period beginning on October 1, 1983, there are authorized to be appropriated to the Department of the Interior not to exceed $1,000,000 to be made available to the Foundation—

(1) to match, on a one-for-one basis, private contributions made to the Foundation; and

(2) to provide administrative services under section 6.●

● Mr. MITCHELL. Mr. President, today I am very pleased to cosponsor legislation to establish the National Fish and Wildlife Foundation. The Foundation will increase opportunities for private citizens to contribute to fish and wildlife conservation.

Appropriately, the idea, hard work, and initial funding provided to establish the foundation has come from dedicated private citizens. Ted and Francoise Gianoutsos are avid outdoors people who wish to contribute to the programs of the U.S. Fish and Wildlife Service. Through their generosity, a trust will be established to enhance programs at the Service that are dedicated to hunter education and ethics, and to the conservation of raptors—birds of prey. They have stipulated that should a Fish and Wildlife Foundation be established by an act of Congress, their trust shall terminate and the proceeds shall be given to the Foundation. It is just such a foundation that we have the opportunity to institute here today.

This legislation is modeled after similar legislation for the Park Service Foundation and would establish a charitable and nonprofit corporation which accepts and administers gifts from private citizens for purposes of fish and wildlife conservation. The Foundation would have a board of nine members to be appointed by the Secretary of the Interior. Members of the board must represent diverse points of view in relation to wildlife conservation and at least three members must be educated and experienced in the principles of fish and wildlife management. The legislation authorizes $1 million to be expended over a 10-year period to match, on a 1-to-1 basis, private contributions to the Foundation. Use of these matching funds and additional private contributions are not restricted to hunter or raptor programs and may be used for other appropriate fish and wildlife conservation activities.

Mr. President, the legislation we are introducing today is an important initiative in fish and wildlife conservation. I join the Gianoutsos in hoping that the Foundation will be a focal point for those citizens and organizations who want to help the Fish and Wildlife Service in its important work. I know that my colleagues will want to join me in thanking the Gianoutsos for their contribution to this effort.●

By Mr. ROTH:

S. 1272. A bill to amend the Internal Revenue Code of 1954 to impose a use tax with regard to the use of the services of the Commodity Futures Trading Commission; to the Committee on Finance.

TAX USER FEE FOR SERVICES OF COMMODITY FUTURES TRADING COMMISSION

● Mr. ROTH. Mr. President, last year I introduced a measure which would impose a small fee on commodity futures trades. Funds generated from the imposition of this so-called user fee were to defray operating costs of the Commodity Futures Trading Commission. I, along with Senators RUDMAN, STEVENS, MURKOWSKI, and PROXMIRE, felt that this industry should contribute to the Federal authority which allows them to operate in the public trust. We saw no reason why an industry which has tripled in size in the last 10 years could not shoulder some of its own weight, rather than continuing to allow the general population to pay for its regulation.

Unfortunately, the commodity user fee legislation did not become law. And what was the onerous fee that was deemed to harsh for the poor commodity industry to bear? That fee was a mere 6 cents per trade, when the average cost of a contract is in the tens of thousands of dollars. I must say that I find it incredible that millions of Americans with no relation to the commodity markets must finance their regulation while the traders, individuals willing to take massive risks on expensive contracts, refuse to pay less than the cost of a postage stamp.

I therefore, wish to introduce a bill which provides for a tax to be levied upon the execution of such qualified commodity contract or option on any contract market or board of trade as defined by section 5 or the Commodity Exchange Act. This user fee in the form of a tax will generate revenue to the general treasury which will offset the expenses undertaken by the Commodity Futures Trading Commission in its regulation of the trading of commodity futures and commodity option contracts. While this tax in the form of a user fee is similar to the user fee proposal in that it provides that the commodity traders and brokers who benefit from regulation help fund that regulation, the tax differs from the user fee in that its implementation will be regulated by the Secretary of the Treasury.

The amount of this tax would be 5 cents for every qualified commodity contract or option executed for the account or benefit of a commodity association member. Thus, a member of the National Futures Association, the self-regulatory commodity trading authority, pays a nickle for each contract traded. A commodity trader who is not under the jurisdiction of this self-regulatory body must pay 10 cents for each contract or option so executed. The difference exists because those traders not under the effective control of the NFA will require more of the resources of the CFTC, while NFA members require substantially less attention by the Federal regulator of commodity trading. The tax difference also will serve to convince nonmembers to join the NFA and to encourage members to remain within the self-regulatory body.

This bill would also set a $3 tax upon dealer option and leverage transactions. The traders of these instruments are not members of the NFA and enjoy special exclusivity provisions under the Commodity Exchange Act. Otherwise unregulated, the traders of these contracts should be responsible for the regulation which promotes their legitimacy and therefore customer participation.

There are those who will argue that this tax will burden the industry, hinder self-regulation and unfairly lays the burden of regulatory costs upon the trader. To these persons I would point out that the securities industry has done reasonable well over the last 50 years while supporting a self-regulatory body and requiring traders to pay a fee for each transaction undertaken. There is no unique characteristic of the commodity industry which renders it incapable of providing a portion of its own support.

When my user fee bill was defeated in the Senate last year, a compromise provision was included in section 31 of S. 2109, the CFTC Reauthorization bill which called for a study to be conducted by the CFTC to determine what the effect of a user fee would be. No similar provisions existed in the House version. The Conference committee on this bill derived section 237 of the CFTC Reauthorization bill which called for a "study of the regulatory experience of the NFA." Section 237 specifies that service fees will be considered but there is no specific mention of user fees, nor does the Joint Statement of the Managers of the Conference Committee include any reference to user fees specifically.

Even if a user fee study could be inferred from this language, the ques-

tion is then, why undertake such a study? I find it hard to believe that a 5-cent tax per trade will cripple the massive commodity industry. At the same time, such a study would doubtlessly cost hundreds of thousands of dollars. A CFTC study on insider trading cost $200,000 and a CFTC portion of the financial industry study is estimated at almost $1 million. Do we really need to spend hundreds of thousands of dollars to show that the commodity industry can afford to pay 5 cents for every trade executed?

With each new contract and new exchange, the responsibilities of the CFTC have grown accordingly. Philip Johnson, the recent resigned chairman of the Commission, as well as his predecessor Jim Stone, have provided strong leadership and extremely competent administration in an agency rendered beleaguered by budgetary and manpower limitations. The industry has grown tremendously while the tiny agency has attempted to promote both growth and effective regulation.

The Commission will have more to do as time progresses to the increasing volume and complexity of commodity trading. An effective Federal regulatory agency will insure that business is conducted fairly, thereby promoting increased customer participation. The industry therefore directly benefits from CFTC regulation and accordingly should be expected to provide some of the support for the Commission.

This tax in the form of a user fee would thus promote and insure NFA memberships, and would result in those who benefit most from regulation helping to pay for their benefits at a minimal cost to themselves.

Mr. President, I ask unanimous consent that a section-by-section analysis be printed in the RECORD.

There being no objection, the analysis was ordered to be printed in the RECORD, as follows:

SECTION-BY-SECTION ANALYSIS

Section 1. (a) of the bill provides that Chapter 33 of the Internal Revenue Code is amended by inserting 5 sections before subchapter B to facilitate a tax upon the execution of certain commodity contracts. These five sections would be numbered section 4241 through 4245.

Section 4241—This section describes what will be taxed, how much the tax will be and who shall be liable for the tax.

Subsection (a)—The tax shall be imposed on the execution of qualified commodity or option contracts that are traded on any contract market or board of trade as defined by Section 5 of the Commodity Exchange Act.

Subsection (b)—If the contract is executed for the account or benefit of a commodity association member, the tax will be five cents for each contract or option executed. If the contract is executed for any other account or benefit the tax will be ten cents for each contract or option executed.

Subsection (c)—The tax shall be paid by the contract market or board of trade on which the contracts were executed.

Section 4242—This section describes the imposition of and liability for a tax upon the granting of a dealer option and the execution of a leverage contract.

Subsection (a)—A three dollar tax shall be imposed on the granting of each dealer option contract as described by section 4c(d) of the Commodity Exchange Act and on the execution of each leverage transaction offered as described by section 19 of the Commodity Exchange Act.

Subsection (b)—The tax shall be paid by the entity which granted the commodity option or offered the leverage transaction.

Section 4243—This section defines the terms used for the purposes of this subchapter.

Section 4244—Subsection (a) of this section provides that the taxes shall be paid on the basis of a return filed within 45 days after the close of taxable period. Section (b) provides that the Secretary of the Treasury shall provide a receipt for a properly executed return and full payment of any taxes imposed.

Section 4245—This section provides for a reduction of the tax in special cases.

Subsection (a)—The Secretary may issue an order to adjust the imposition of the tax in accordance with that order.

Subsection (b)—If the Secretary finds, after notice and opportunity for a hearing, that the impositon of this tax will create a significant adverse effect upon a person or market, the Secretary may issue an order reducing the tax, but not below zero, with respect to that transaction by that person or on Section (b) of the bill provides for the creation, membership, function and termination of an advisory committee to assist and advise the Secretary of the Treasury on the implementation of this tax.

Section (c) of the bill provides for conforming existing statutory sections with this bill.

Section 2 of the bill provides for the date upon which the provisions of the Act take effect.●

By Mr. SYMMS (for himself, Mr. McCLURE, Mrs. HAWKINS, Mr. COHEN, and Mr. GORTON):

S. 1273. A bill to direct the Secretary of Agriculture to conduct, in accordance with law and the intent of the Congress, the pilot project study of alternative means of providing assistance under the school lunch program previously authorized by law, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

SCHOOL LUNCH PILOT PROJECT ACT OF 1983

Mr. SYMMS. Mr. President, today I am introducing legislation which is necessary only because the Department of Agriculture directly and flagrantly ignored the legislative will of the Congress. My bill directs the USDA to do what the Congress told them to do 2 years ago—test cash in lieu of donated commodities and a commodity letter of credit in lieu of donated commodities as an alternative to the present commodity component of the national school lunch program.

Public Law 96-528, authored by my senior Senator from Idaho, JIM McCLURE, stated that the USDA was directed to test an all cash in lieu of commodities system and an all commodity letter of credit system in lieu of the present program in 60 school districts throughout the Nation. Our legislative directive did not say to the Department test a part cash and part commodity system against the present system. Our directive was, we thought, absolutely clear—test all cash and all commodity letters of credit in lieu of the present system.

A colloquy which took place on the Senate floor when this pilot project was adopted directed the USDA to publish notice of the pilot project in the Federal Register and submit to the Congress the methodology for the study in advance of its implementation. Our colloquy also directed that certain aspects of the study be clearly evaluated so that the Congress would learn whether there was a better way to get the benefits of American agriculture to our school lunch program and still meet the agricultural and nutritional objectives of the national school lunch program.

Those of us who supported the pilot project legislation were fearful that the USDA would not set up or operate the pilot project properly, and it was for that reason that we were so specific in the legislation and in our colloquy on the legislation on the floor of the Senate. This effort was supported by both Democrats and Republicans, liberals and conservatives, and rural as well as urban legislators.

USDA went out and got school districts to participate, some 64 school districts in 29 States of the Nation. USDA entered into agreements with these school districts based on a study methodology which followed the congressional will and the pilot project began. The Congress appropriated substantial moneys for the evaluation itself, and we all said to ourselves—it looks like our fears were wrong, the USDA is going to set up and run a fair study which will give us some answers.

The Congress, in setting up the pilot project, assumed that the USDA would not change the rules of the pilot project in midstream and cost participating school districts substantial moneys in return for their good faith effort to help the Congress and the Department get some answers. We were wrong there. In December, after the Congress had adjourned, USDA summarily announced to the school districts participating, and to selected Members of Congress after the fact, that a decision had been reached to change tne methodology for the pilot project from an all cash in lieu of commodities and all commodity letters of credit in lieu of commodities study to a hybrid system where the results would be clouded, participating school districts affected adversely, and the will of the Congress thwarted.

In making its decision, the Department explained they did not have the money to provide cash in lieu of commodities or commodity letters of credit

in lieu of commodities for the so-called bonus commodities which are provided to school lunch programs over and above regular commodities they receive. USDA, in its wisdom, had decided that if the bonus commodities came in the form of cash or letters of credit for the pilot project no one would be upset. They were wrong there too. I am upset and I know that a large number of my colleagues on both sides of the aisle in the Senate as well as in the other body are upset. Of equal importance, the school districts in the pilot project feel betrayed and believe USDA has reneged on the contract under which they agreed to participate.

USDA argues that they must give the pilot project school districts dairy commodities rather than dairy bonus letters of credit or bonus cash because they have the commodities in storage and that will save money. Is there any Member of this body who believes that by not following the letter of the law we passed setting up the demonstration that $1 will be saved? In fact, what USDA has done is assure that the study will not come to any conclusions, established a hybrid study of marginal value, and deprived the Congress, the administration, and the American public of the opportunity to learn if there is a better, more cost-effective way to run this program.

As far as I know, the USDA is still buying dairy products under the price support program and still donating commodities to schools. Does the USDA really expect me and other Senators and Members of the other body to believe that they will somehow buy less dairy products because they gutted the pilot project we mandated?

I and my colleagues who have joined me in sponsoring this legislation being introduced today believe that the Congress and the American people are entitled to know the answers to all the questions we asked when we mandated the test. That is all this legislation seeks to do—assure us all that we will get the answers.

My bill expands the number of school districts in the pilot project from 60 to 200; directs where USDA will get the funds to provide cash or commodity letters of credit for all commodities involved in the test; provides that the USDA shall pay to the school districts now participating monetary damages for the costs they incurred due to the arbitrary USDA action changing the methodology of the test; and assures that the Congress will get a test of an all cash in lieu of commodities and all commodity letter of credit system in a sufficient number of school districts and for a sufficient time frame to tell us whether there is a better way to insure the same nutritional quality in school lunches at a lower cost to the taxpayer.

I have taken the unusual step in the legislation of directing that the General Accounting Office ride herd on the USDA in this effort to assure that the Department does not try to scuttle the project again. I have done this deliberately, and I assure my colleagues that this approach is necessary to preserve the integrity of the study.

Mr. President, I would like at this time to insert into the RECORD a listing of the school districts who have been affected by the USDA decision on the study methodology, along with their estimate of the damages they have incurred through the USDA action. School districts in the study from which we have not heard as yet are included, but their damages are identified as "unknown." In addition, control school districts which are receiving commodities, but which will be compared to pilot districts receiving cash and letters of credit are identified as "control" districts.

The Congress cannot let the bureaucracy ignore our legislation or our clearly stated intent. I urge all Senators with affected school districts in their States to talk with their local constituents as I have. When they have, I am sure they will want to consider joining those of us who are introducing this legislation today and work for its prompt enactment.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 1273

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled. That this Act may be cited as the "School Lunch Pilot Project Act of 1983".

DEFINITIONS

SEC. 2. As used in this Act—

(1) the term "basic commodities" means commodities, other than bonus commodities, provided to school districts under the school lunch program;

(2) the term "bonus commodities" means commodities donated under section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) for use in the school lunch program; and those commodities provided in the above entitlement under Section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes," approved August 24, 1935 (7 U.S.C. 612c);

(3) the term "school lunch pilot project study" means the study provided for in the last proviso of the matter under the heading "CHILD NUTRITION PROGRAMS" in title III of the Act entitled "An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1981, and for other purposes", approved December 15, 1980 (94 Stat. 3113);

(4) the term "school lunch program" means the program established by the National School Lunch Act (42 U.S.C. 1751 et seq.); and

(5) the term "Secretary" means the Secretary of Agriculture.

FINDINGS

SEC. 3. The Congress finds that—

(1) the school lunch program was established to safeguard the health and well-being of the children of the United States and to encourage the domestic consumption of perishable agricultural commodities;

(2) in order to enable the Congress to determine whether there are more cost-effective means of meeting these objectives, the Secretary was directed to conduct over a three-year period a school lunch pilot project study under which sixty school districts would be provided, in lieu of commodities provided under the school lunch program, all cash assistance or all commodity letters of credit assistance;

(3) the Secretary established the methodology for the study, with prior consultation with the Congress, and contracted with school districts to participate in the study;

(4) during the school year ending June 30, 1983, the Secretary altered the methodology for the study in a manner which was inconsistent with law, the intent of the Congress, and fairness to the school districts;

(5) the Secretary altered the study methodology without prior consultation with the Congress in contravention of the intent of the Congress, expressed during floor debate in the Senate on the study, that the Secretary should consult with the Congress on the study methodology;

(6) the Secretary altered the study methodology after having contracted with school districts to participate in the study and without prior consultation with the districts and, as a consequence, imposed severe financial hardship on the participating school districts;

(7) the Secretary altered the study methodology in a manner that prevents the study of an all cash assistance program or all commodity letters of credit assistance program as required by law; and

(8) the Secretary altered the study methodology in a manner that provides for a one year study rather than a three year study required by law, thereby preventing an adequate program evaluation.

SCHOOL LUNCH PILOT PROJECT STUDY

SEC. 4. (a) In carrying out the school lunch pilot project study, the Secretary shall—

(1) provide to participating school districts, in lieu of commodities provided for the school lunch programs operated in the districts, all cash assistance or all commodity letters of credit assistance;

(2) continue the study through June 30, 1986;

(3) increase the number of school districts participating in the study so that, in lieu of commodities provided for the school lunch programs operated in the districts, one hundred districts receive cash assistance and one hundred districts receive commodity letters of credit assistance;

(4)(A) use appropriated funds to carry out the evaluation for this study;

(B) in meeting expenses incurred in providing cash assistance or commodity letters of credit assistance to participating school districts in lieu of basic commodities, use funds available under section 32 of the Act entitled "An Act to amend the Agricultural Adjustment Act, and for other purposes", approved August 24, 1935 (7 U.S.C. 612c), in an amount (as determined by the Secretary) that would have been expended, except for the enactment of this Act, for the purchase and distribution of basic commodities to participating school districts; and

(C) in meeting expenses incurred in providing cash assistance or commodity letters of credit assistance to participating school districts in lieu of bonus commodities, use funds which would have been spent by the Commodity Credit Corporation (as determined by the Secretary) for the purchase, processing, storage, and distribution of bonus commodities that would have been made available to the districts except for the enactment of this Act including such bonus commodities which would have been purchased and donated to such school districts under Section 32 of the Act entitled "An Act to amend the Agriculture Adjustment Act, and for other purposes," approved August 24, 1935 (7 U.S.C. 612c);

(5) maintain separate accounts on the amount and use of cash assistance and commodity letters of credit assistance provided to participating school districts in lieu of basic commodities and bonus commodities;

(6) consult with, and obtain the approval of, the Comptroller General of the United States before establishing or altering the policy or methodology of the study; and

(7) no later than December 15, 1986, submit a report of the results of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

(b) The Comptroller General of the United States shall—

(1) consult with, and consider requests for approval from, the Secretary concerning the establishment and alteration of the policy and methodology of the school lunch pilot project study as provided in subsection (a)(6); and

(2) no later than six months after the date of the enactment of this Act, and each six months thereafter until June 30, 1986, submit a report on the administration of the study to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate.

COMPENSATION FOR STUDY METHODOLOGY

SEC. 6. (a) Upon request of a participating school district and with the approval of the Comptroller General of the United States, the Secretary shall compensate a school district which was participating in the school lunch pilot project study on or before the date of the enactment of this Act for losses sustained by the district as a result of the alteration of the methodology used to conduct the study before the date of the enactment of this Act, as described in section 3.

(b) There are authorized to be appropriated such sums as may be necessary to carry out this section.

CONFORMING AMENDMENT

SEC. 5. The last proviso of the matter under the heading "CHILD NUTRITION PROGRAMS" in title III of the Act entitled "An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1981, and for other purposes", approved December 15, 1980 (94 Stat. 3113), is amended by striking out "a 3-year pilot project study in 60 school districts" and inserting in lieu thereof ", in accordance with section 4 of the School Lunch Pilot Project Act of 1983 and in two hundred school districts, a pilot project study through June 30, 1986".

PILOT SCHOOL DISTRICTS—DAMAGES INCURRED FROM CHANGE IN USDA'S PILOT PROJECT STUDY INTO ALTERNATIVES TO COMMODITY DISTRIBUTION UNDER THE NATIONAL SCHOOL LUNCH PROGRAM

[Prepared by the National School Board Association]

School district	Estimated costs	Total student enrollment	Students participating
Flowing Wells School, Tuscon, Ariz. 85707	$3,231.96	3,500	2,600
Nogales Unified School District No. 1, Nogales, Ariz. 85621	(2)		
Page Unified School District No. 8, Page, Ariz. 86040	(3)		
Elaine School District, Elaine, Ariz. 72333	(3)	966	925
Green Forest School District, Green Forest, Ariz	(3)		
Smackover School District, Smackover, Ariz. 71762	(2)		
Castro Valley Unified School District, Castro Valley, Calif. 94546	(2)		
Gilroy Unified School District, Gilroy, Calif. 95020	4,000.00	7,000	2,424
Huntington Beach City School District, Huntington Beach, Calif	4,500.00	6,797	1,848
San Diego Unified School District, San Diego, Calif. 92103	(2)		
Adams County School District No. 12, North Glen, Colo. 80233	(2)		
Adams County School District No. 50, Westminster, Colo. 80030	1,650	11,026	4,629
Weld County School District, Greeley, Colo. 80631	1,300.00		
Enfield Public Schools, Enfield, Conn. 06082	(2)		
Greenwich Publich Schools, Greenwich, Conn	6,000.00	7,701	1,672
Total	20,681.96	36,990	13,198
Windsor Public Schools, Windsor, Conn. 06095	(3)	4,179	3,862
Broward County School District, Fort Lauderdale, Fla. 33310	(2)		
Monroe County Public School, Key West, Fla. 33310	26,000	74,000	70,372
Jefferson County School District, Monticello, Fla. 32344	(2)		
Hernando County School District, Brooksville, Fla. 33512			
Dublin Independent School District, Dublin, Ga. 31021	(2)		
Laurens County School District, Dublin, Ga. 31021	5,400.00	3,500	2,975
Worth County Public Schools, Sylvester, Ga. 31791	13,311.28	3,825	3,260
Mount Vernon Community School, Mount Vernon, Iowa 52314	250.00		
Parkersburg Community School, Parkersburg, Iowa 50665	(3)	567	362
Urbana Community School, Urbana, Iowa 52345	(2)		
Fruitland Idaho Public Schools, Fruitland, Idaho 83619	965.00	1,049	700
Grace Joint School District 148, Grace, Idaho 83241			
Parma School District No. 137, Parma, Idaho 83660	(2)		
Crestwood School District No. 4, Paris, Ill. 61944	409.56		
Egyptian Community Unit School District No. 5, Tamms, Ill. 62988	1,400.00		
Pleasant Hill Community Unit School District No. 3, Pleasant Hill, Ill. 62366	(2)		
Total	68,417.80	124,100	94,729
Caddo Parish School District, Shreveport, La. 71130	73,879.16		
DeSota Parish School District, Mansfield, La. 71052	(2)		
Iberville Parish School District, Plaquemine, La. 70764		6,600	6,500
School Administration District No. 6, Bar Mills, Maine 04004	10,323.00	4,000	2,300
School Administration District No. 54, Showhegan, Maine 04976	(2)		
Portland Service Direct or, Portland, Maine 04103	16,000.00		
Troy School District, Troy, Mich. 48098			
Woodhaven School District, Romulus, Mich. 48174	23,770.00	4,823	3,756
Union City School District, Union City Mich. 49094	(2)		
Menagha School District No. 821, Menagha, Minn. 56464	(3)	654	435
Gonvick-Trail Community School, Gonvick, Minn. 56644	(3)		
Granite Falls Public Schools, Granite Falls, Minn. 56241	(2)		
Shamong Township School District, Vincetown, N.J. 08088			
Waterford Township School District, Atco, N.J. 08004	600.00	685	388

PILOT SCHOOL DISTRICTS—DAMAGES INCURRED FROM CHANGE IN USDA'S PILOT PROJECT STUDY INTO ALTERNATIVES TO COMMODITY DISTRIBUTION UNDER THE NATIONAL SCHOOL LUNCH PROGRAM—Continued

[Prepared by the National School Board Association]

School district	Estimated costs	Total student enrollment	Students participating
Burlington Township School District, Burlington, N.J. 08016	(2)		
Elba Central School District, Elba, N.Y. 14058			
Cambridge Central School District, Cambridge, N.Y. 12816			
Galway, Central School District, Galway, N.Y. 12074	(2)		
Total	192,989.96	140.862	108,108
Esmeralda County School District, Goldfield, Nev. 89013			
White Pine County Schools, East Ely, Nev. 89315	1,200.00	1,590	550
Washoe County School District, Reno, Nev. 89520	(2)		
Nye County School District, Tonopah, Nev	(2)		
Dayton Public Schools, Dayton, Ohio 45402	55,000.00	42,000	35,700
Northwestern Local School District, Springfield, Ohio 45502	2,118.60	2,100	1,200
Norton City Schools, Barberton, Ohio 44203			
Highland Local School District, Medina, Ohio 44256			
Buckeye Local School District, Rayland, Ohio 43943	(2)		
Archdiocese of Philadelphia, Philadelphia, Pa. 19103	20,000.00	11,000	5,000
School District of Lancaster, Lancaster, Pa. 17603	34,930.00	9,615	4,298
Reading School District, Reading, Pa. 19601			
Indiana Area School District, Indiana, Pa. 15701	(3)	3,245	1,884
Mifflin County Public Schools, Lewiston, Pa. 17044	(2)		
Edgefield County School District, Edgefield, S.C. 29824			
Lexington School District No. 3, Batesburg, S.C. 29006	3,500.00	2,400	1,850
Lexington School District No. 4, Swansea, S.C. 29112	(2)		
Oldham School District No. 38–4, Oldham, S. Dak. 57051			
Elk Point School District No. 61–3, Elk Point, S. Dak. 57025	900.00	577	406
Sully Buttes School District No. 58–2, Onida, S. Dak. 57564	(2)		
Total	310,637.96	223,389	158,986
Humphreys County School District, Waverly, Tenn. 37180			
Knox County School District, Knoxville, Tenn	26,690.00		
Loudon County School District, Loudon, Tenn. 37774			
Marshall County School District, Lewisburg, Tenn	(2)		
Amarillo Independent School District, Amarillo, Tex	79547.41	26,865	16,130
Pharr-San Juan Alamo Independent, Pharr, Tex. 78577	(2)		
Tyler Independent School District, Tyler, Tex. 75710	12,833.00	15,730	5,814
Victoria Independent School District, Victoria, Tex. 77901	12,076.00	686	467
Fredericksburg City Schools, Fredericksburg, Va. 22401			
Harrisonburg City Schools, Harrisonburg, Va. 22801	(2)		
Alleghany County School District, Covington, Va	2,400.00	2,900	2,465
Fairfax County School District, Fairfax, Va. 22030	153,000.00		
Harrisonburg City Schools, Harrisonburg, Va. 22801	(2)		
Morrisville School District, Morrisville, Vt. 05661	4,027.32	988	862
Lydon Town School District, Lydonville, Vt. 05851			
Twinfield Union No. 33, Plainfield, Vt. 05667	(2)		
Bremerton Public Schools, Bremerton, Wash. 98310	11,411.20		
Shoreline Public Schools, Seattle, Wash. 98155	1,696.84		
Longview School District, Longview, Wash. 98632			
Medical Lake School District No. 326, Medical Lake, Wash. 99022	(2)		
Total	614,329.73	260,558	184,724
Brodhead School District, Brodhead, Wis. 53520			

PILOT SCHOOL DISTRICTS—DAMAGES INCURRED FROM CHANGE IN USDA'S PILOT PROJECT STUDY INTO ALTERNATIVES TO COMMODITY DISTRIBUTION UNDER THE NATIONAL SCHOOL LUNCH PROGRAM—Continued

[Prepared by the National School Board Association]

School district	Estimated costs	Total student enrollment	Students participating
Merrill School District, Merrill, Wis. 54452	(3)		
River Falls School District, River Falls, Wis. 54022	1,098.49		
Westby Public Schools, Westby, Wis	(2)		
Grant County Schools, Petersburg, W. Va	7,532.00	2,146	1,114
Pendleton County School District, Franklin, W. Va	1,150.00		
Hampshire County Schools, Romney W. Va. 26757	(2)		
Converse County School District No. 2, Grenrock, Wyo	750.00	1,300	1,105
Washakie Community Consolidated School District No. 2	(3)		
Hot Springs County School District No. 1, Thermopolis, Wyo. 82443	(2)		
Grand total	624,861.22	264,004	186,943

[1] Students in type A lunch program.
[2] Control.
[3] Unknown.

By Mr. HEFLIN:

S. 1275. A bill to establish a specialized corps of judges necessary for certain Federal proceedings required to be conducted and for other purposes; to the Committee on the Judiciary.

ADMINISTRATIVE LAW JUDGE CORPS ACT

Mr. HEFLIN. Mr. President, I rise today to introduce legislation to establish a unified Administrative Law Judge Corps. Today, administrative agencies have wide-ranging powers which touch almost every aspect of our lives. When administrative disputes between the Federal Government and individuals arise, administrative law judges appointed from within the department or agency are utilized to resolve the dispute.

As ranking minority member of the Subcommittee on Administrative Practice and Procedures, I believe that these disputes should be adjudicated in an independent atmosphere free of bias, in order to insure fairness and give credence to these decisions. These judicial officers must be free from any association or personal obligation to any party in order that every litigant to the process be afforded due process. In one of our most significant Federal enforcement agencies every administrative law judge was a prosecutor, in that agency, before becoming an ALJ for that agency. The mere appearance of bias and prejudice smacks at the vital concept of an independent judiciary.

Administrative law judges are a significant part of our Federal adjudicating system. Our Federal judiciary consists of 515 active U.S. district court judges, yet there are presently 1,147 administrative law judges. In 1947, there were only 196 administrative law judges. The number of judges in the Social Security Administration in 1947 was 13. There are now 820 administrative law judges in the Social Security Administration. As the number of agencies proliferated and their scope of authority expanded, the jurisdiction of administrative law judges significantly increased, such that today an administrative law judge may levy penalties against individuals up to $100,000.

The Administrative Law Judge Corps created by this legislation would consist of all current administrative law judges. Judges would continue to have jurisdiction over proceedings and adjudications as granted under the Administrative Practice and Procedure Act. In addition, these Corps judges may accept any other case referred to the Corps by any Federal agency or court desiring to make a decision based on records developed at a hearing conducted by an administrative law judge. Future judges would continue to be selected under the present merit system, but instead of the "rule of three," selection would be from the top five persons on the register. This reform provides a greater diversity in the selection of judicial officers.

The chief administrative law judge shall be appointed by the President with the advice and consent of the Senate and serve for a 5-year term as chief administrative officer of the Corps and preside over the Council of the Corps. A Judicial Nomination Commission, consisting of five leading members of the bench and bar, would recommend to the President three candidates for the position. The integrity of the merit system is maintained by requiring the candidate to be an administrative law judge for the first 5 years preceding the appointment.

The Corps would be divided into not more than 10 and not less than 4 divisions, in keeping with the major specialities of administrative law with each administrative law judge assigned to a division after consideration of the judge's experience and expertise. Each division shall be headed by a division chief judge nominated by the Judicial Nomination Commission and appointed by the President with the advice and consent of the Senate, who shall exercise administrative supervision over the division. This bill establishes seven division areas which may be modified as necessary by the Council.

The policymaking body of the Corps shall be the Council of the Corps which will be composed of the chief judge and the division chief judges. This Council would have authority over all major policy decisions, the creation of divisions, and the appointment, assignment, transfers, and reassignment of judges thereto. The Council may also prescribe the rules of practice and procedure for the conduct of proceedings and business before the Corps.

This measure further provides for the appointment of a five-member Judicial Nomination Commission for the Administrative Law Judge Corps which shall submit the names of qualified nominees for appointment to the position of chief judge and division chief judges. Also contained in this bill are procedures for more effective removal and discipline of administrative law judges.

The chief administrative law judge will submit an evaluation report on each division to the President and Congress not later than 2 years after the effective date of this act. Provision is also made for the transfer of all functions performed by administrative law judges to the Corps, as well as personnel, assets, liabilities, property, and unexpended funds.

Any pending procedures shall be continued before the Administrative Law Judge Corps.

This concept is supported by the Judicial Administration Division of the American Bar Association, the National Conference of Administrative Law Judges, Federal Administrative Law Judges, Federal Administrative Law Judges Conference, and the Association of American Law Judges.

Several States have implemented similar systems under which administrative law judges are no longer assigned to individual agencies, but are instead assigned to a single, central panel that provides trial services to various agencies as needed. Substantial cost savings and efficiencies have been achieved in each of those States. More importantly, each State has witnessed improved public perception of administrative law judges as members of a truly independent administrative judiciary. It is now time that these advantages are brought to the Federal Government.

This structural reform is necessary to insure truly independent adjudications. This system will result in significant cost savings and permit more flexible use of the administrative law judges presently employed by 30 separate agencies and departments. Also under this system, the merit selection system is preserved and the expertise possessed by administrative law judges will continue to be utilized.

I urge my colleagues in the Senate to support this vital legislation.

Mr. President, I ask unanimous consent that the text of this bill be printed following my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1275

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Administrative Law Judge Corps Act".

ESTABLISHMENT OF ADMINISTRATIVE LAW JUDGE CORPS

SEC. 2. Title 5, United States Code, is amended by redesignating subchapter III of

chapter 5 as subchapter IV and by inserting a new subchapter III to read as follows:

"SUBCHAPTER III—ADMINISTRATIVE LAW JUDGE CORPS

"§ 561. Definitions

"For the purposes of this subchapter—

"(1) 'agency' means an authority referred to in section 551 (1) of this title;

"(2) 'Corps' means the Administrative Law Judge Corps of the United States established under section 562 of this title;

"(3) 'administrative law judge' means an administrative law judge appointed under section 3105 of this title on or before the effective date of the Administrative Law Judge Corps Act or under section 567 of this title after such effective date;

"(4) 'chief judge' means the chief administrative law judge appointed and serving under section 563 of this title;

"(5) 'Council' means the Council of the Administrative Law Judge Corps established under section 565 of this title;

"(6) 'Nomination Commission' means the Judicial Nomination Commission for the Administrative Law Judge Corps established under section 566 of this title;

"(7) 'Board' means the Complaints Resolution Board established under section 569 of this title; and

"(8) 'division chief judge' means the chief administrative law judge of a division appointed and serving under section 564 of this title.

"§ 562. Establishment; membership

"(a) There is established an Administrative Law Judge Corps consisting of all current administrative law judges, and such Corps shall be located at the seat of Government.

"(b) An administrative law judge serving as such on the date of the commencement of the operation of the Corps shall be transferred to the Corps as of that date. An administrative law judge who is appointed on or after the date of the commencement of the operation of the Corps shall be a member of the Corps as of the date of such appointment.

"§ 563. Chief administrative law judge

"(a) The chief administrative law judge shall be the chief administrative officer of the Corps and shall be the presiding judge of the Corps. The chief judge shall be nominated as prescribed in section 566 of this title and shall be appointed by the President, by and with the advice and consent of the Senate. The chief judge must be an administrative law judge who has served as an administrative law judge for at least five years preceding the date of appointment as chief judge. The chief judge shall serve for a term of five years or until a successor is appointed and qualifies to serve. A chief judge may be reappointed upon the expiration of his term, by and with the advice and consent of the Senate, if nominated for reappointment in accordance with section 566 of this title.

"(b) If the office of chief judge is vacant, the division chief judge who is senior in length of service as a judge shall serve as acting chief judge until such vacancy is filled.

"(c) The chief judge shall, within 90 days after the end of each fiscal year, make a written report to the President and the Congress concerning the business of the Corps during the preceding fiscal year. The report shall include information and recommendations of the Council concerning the future personnel requirements of the Corps.

"§ 564. Divisions of the Corps; division chief judges

"(a) The Corps shall have not more than ten and not less than four divisions. Each judge of the Corps shall be assigned to a division. The assignment of a judge who was an administrative law judge on the date of commencement of the operation of the Corps shall be made after consideration of the areas of specialization in which the judge has served. Each division shall be headed by a division chief judge appointed by the President, by and with the advice and consent of the Senate who shall exercise administrative supervision over the administrative law judges assigned to such division.

"(b) Except as provided in subsection (a), and after the initial appointment and establishment of each division, the number of divisions and the jurisdiction of each division shall be determined by the Council. Until changed by the Council, the divisions of the Corps shall be as follows:

"(1) Division of Communications, Public Utility, and Transportation Regulation.

"(2) Division of Health, Safety and Environmental Regulation.

"(3) Division of Labor.

"(4) Division of Labor Relations.

"(5) Division of Benefits Programs.

"(6) Division of Securities, Commodities, and Trade Regulation.

"(7) Division of General Programs and Grants.

"(c) Each division chief judge shall be nominated as prescribed in section 566 of this title and shall be appointed by the President, by and with the advice and consent of the Senate. To be eligible for nomination and appointment as division chief judge, a person must possess experience and expertise in the specialty of that division and have served as an administrative law judge for at least five years.

"§ 565. Council of the Corps

"(a) The policymaking body of the Corps shall be the Council of the Corps. The chief judge and the division chief judges shall constitute the Council. The chief judge shall preside over the Council. If the chief judge is unable to be present at a meeting of the Council, or if there is a vacancy in the office of chief judge, the division chief judge who is senior in length of service as a member of such Council shall preside.

"(b) A majority of the judges present at a meeting of the Council shall constitute a quorum for the purpose of transacting business. The affirmative vote by a majority of all the members of the Council shall be required to approve a matter on behalf of the Council. Each member of the Council shall have one vote.

"(c) Meetings of the Council shall be held at least once a month at the call of the chief judge or by a majority of the Council.

"(d) The Council is authorized—

"(1) to approve or disapprove the assignment of judges to divisions and the transfer or reassignment of judges from one division to another, subject to the provisions of section 567 of this title;

"(2) to approve or disapprove the creation, reconstitution, or abolition of divisions of the Corps;

"(3) to approve or disapprove the reassignment of a division chief judge who heads a division specified in section 564 (b) of this title;

"(4) to appoint a person to be an administrative law judge and a member of the Corps under section 567 of this title;

"(5) to approve or disapprove the filing of charges seeking adverse action against an administrative law judge under section 569 of this title;

"(6) to approve or disapprove the establishment or abolition of regional offices of the Corps and the assignment and reassignment of personnel thereto;

"(7) to prescribe the rules of practice and procedure for the conduct of proceedings before the Corps, except that, with respect to a class of proceedings adjudicated by an agency before the effective date of the Administrative Law Judge Corps Act, the Council may not amend or revise the rules of practice and procedure prescribed by that agency during the two years following such date without the approval of that agency;

"(8) to approve or disapprove rules and regulations pertaining to the assignment of cases to administrative law judges;

"(9) to determine all other matters of general policy of the Corps;

"(10) to issue such rules and regulations as may be appropriate for the efficient conduct of the business of the Corps and the implementation of this subchapter;

"(11) subject to the civil service and classification laws and regulations, to select, appoint, employ, and fix the compensation of the employees (other than administrative law judges) that they deem necessary to carry out the functions, powers, and duties of the Corps and to prescribe the authority and duties of such employees;

"(12) to establish, disestablish, alter, consolidate, and maintain such regional, district, and other field offices as are necessary to carry out the functions, powers, and duties of the Corps and to assign and reassign employees to such field offices;

"(13) to procure temporary and intermittent services under section 3109 of title 5, United States Code;

"(14) to enter into, to the extent or in such amounts as are authorized in appropriation Acts, without regard to section 3709 of the Revised Statutes of the United States (41 U.S.C. 5), contracts, leases, cooperative agreements, or other transactions that may be necessary to conduct the business of the Corps;

"(15) to delegate any of the chief judge's functions or powers to one or more division chief judges or to other officers or employees of the Corps, and to authorize the redelegation of any of those functions or powers;

"(16) to make suitable arrangements for continuing judicial education and training for judges of the Corps; and

"(17) to provide for the training of other employees of the Corps.

"(e) The Council shall select an official seal for the Corps which shall be officially noticed.

"§ 566. Judicial Nomination Commission

"(a) There is established a Judicial Nomination Commission for the Administrative Law Judge Corps. The Nomination Commission shall consist of five members selected as provided in subsection (b). The Nomination Commission shall submit the names of qualified nominees for appointment to the position of chief judge and positions as division chief judges.

"(b) Each of the following persons shall appoint one member to the Nomination Commission within 30 days after the effective date of the Administrative Law Judge Corps Act:

"(1) The chief judge of the United States Court of Appeals for the District of Columbia Circuit.

"(2) The chief judge of the United States District Court for the District of Columbia.

"(3) The Chairman of the Administrative Conference of the United States.

"(4) The Chairman of the Administrative Law Section of the American Bar Association.

"(5) The President of the Federal Administrative Law Judges Conference.

"(c)(1) The persons first appointed pursuant to paragraphs (1) and (2) of subsection (b) shall each serve for a term of three years.

"(2) The person first appointed pursuant to paragraph (3) of subsection (b) shall serve for a term of two years.

"(3) The persons first appointed pursuant to paragraphs (4) and (5) of subsection (b) shall each serve for a term of one year.

"(d)(1) Subject to the provisions of this subsection, a vacancy on the Nomination Commission shall be filled in the same manner as the original appointment. An officer or employee of the United States may be a member of the Commission. The Commission shall select one of its members to be the Chairman.

"(2) Any member appointed to serve an unexpired term which has arisen by virtue of the death, disability, retirement, or resignation of a member shall be appointed only for such unexpired term, but shall be eligible for reappointment.

"(3) Each person appointed pursuant to this section after the initial appointments made in accordance with subsection (c) shall be appointed for a term of 3 years.

"(e) (1) For the initial appointment of the chief judge or, in the event of a subsequent vacancy in such position prior to the end of the term of such judge, the Nomination Commission, within 90 days after the effective date of the Administrative Law Judge Corps Act or 60 days after notification by the acting chief judge that a vacancy has occurred, as the case may be, shall submit to the President for appointment a list of the names of three persons qualified to fill the vacancy.

"(2) Not less than 60 days before the term of the chief judge expires, the Nomination Commission shall submit to the President for appointment a list of the names of three persons, one of whom may be the incumbent chief judge, who are qualified to be the chief judge.

"(3) For the initial appointment of the division chief judges, the Nomination Commission, within 90 days after the effective date of the Administrative Law Judge Corps Act, shall submit to the President for appointment, a list of the names of three persons qualified to fill such positions.

"(4) If there is a vacancy in a position of division chief judge, the chief judge shall notify the Chairman of the Nomination Commission within 10 days after such vacancy occurs. Within 60 days after such notice, the Nomination Commission shall submit to the President for appointment a list of the names of three persons qualified to fill the vacancy.

"(5) The President shall appoint judges, by and with the advice and consent of the Senate, pursuant to this subsection from the lists provided by the Nomination Commission. The President may, however, reject any list provided for any position and request that such Commission submit another list for any such position.

"(f) (1) A member of the Nomination Commission who is an officer or employee of the United States shall not receive additional compensation while serving as a member of the Nomination Commission. Other members of the Commission shall receive compensation at the daily equivalent of the rate provided for employees in grade GS-18 of the General Schedule established under section 5332 of this title, for each day, including traveltime, he or she is engaged in the actual performance of his or her duties as a member of the Commission. A member shall not be deemed an officer or employee of the United States solely by reason of his or her service as a member of the Nomination Commission.

"(2) All agencies of the United States shall provide, to the extent allowed by law, to the Nomination Commission the assistance and facilities that the Nomination Commission requests, including access to records and other information pertaining to prospective nominees, to enable the Nomination Commission to perform its functions. Records and information so furnished shall be treated as privileged and confidential by the Nomination Commission.

"(3) Funds appropriated to conduct the general operations of the Corps may be expended to defray the expenses of the Nomination Commission.

"§ 567. Appointment, compensation, and transfer of administrative law judges

"(a) After the initial establishment of the Corps, the Council shall appoint new or additional judges as may be necessary for the efficient and expeditious conduct of the business of the Corps. Appointments shall be made from a register maintained by the Office of Personnel Management under subchapter I of chapter 33 of this title. Upon request by the chief judge, the Office of Personnel Management shall certify enough names from the top of such register to enable the Council to consider five names for each vacancy. Notwithstanding section 3318 of this title, a vacancy in the Corps may be filled from the highest five eligible individuals available for appointment on the certificate furnished by the Office of Personnel Management.

"(b) A judge of the Corps may not perform or be assigned to perform duties inconsistent with the duties and responsibilities of an administrative law judge.

"(c) A judge of the Corps on the date of commencement of operation of the Corps may not thereafter be involuntarily reassigned to a new permanent duty station that is beyond commuting distance of the judge's permanent duty station on that date. A judge may be temporarily detailed, once in a 24-month period, to a new duty station, at any location, for a period of not more than 120 days.

"§ 568. Jurisdiction

"(a) Except as provided in subsection (c), an administrative law judge who is a member of the Corps shall hear and render a decision upon—

"(1) every case of adjudication subject to the provisions of section 554 of this title;

"(2) every case in which hearings are required by law to be held in accordance with section 554 or section 556 of this title; and

"(3) every other case referred to the Corps by an agency or court in which a determination is to be made on the record after an opportunity for a hearing.

"(b) When a case under subsection (a) arises, it shall be referred to the Corps. Under regulations issued by the Council the case shall be assigned to an administrative law judge. Administrative law judges shall be assigned to cases within their division in rotation, so far as practicable.

"(c) Notwithstanding subsection (a) or (b)—

"(1) the agency, or one or more members of the body that comprises the agency, may hear the case and render the decision thereon; or

"(2) an agency may provide for omission of the decision of the administrative law judge in accordance with section 557(b)(2) of this title.

"(d) Federal agencies and courts are hereby authorized to refer to the Corps any other case where a determination on the record after an opportunity for a hearing by a judge of the Corps is found by such court or agency to be desirable and appropriate.

"§ 569. Removal and discipline

"(a) Except as provided in subsection (b) of this section—

"(1) an administrative law judge may not be removed, suspended, reprimanded, or disciplined except for misconduct, incompetence, or neglect of duty but may be removed or suspended for physical or mental disability; and

"(2) an action specified in paragraph (1) of this subsection may be taken against an administrative law judge only after the Council has filed a notice of adverse action against the administrative law judge with the Merit Systems Protection Board and the Board has determined, on the record after an opportunity for a hearing before the Board, that there is good cause to take such action.

"(b) Subsection (a) does not apply to—

"(1) the replacement or reassignment of a division chief judge as provided in section 564(c) of this title; and

"(2) an action initiated under section 1206 of this title.

"(c) Under regulations issued by the Council a Complaints Resolution Board shall be established within the Corps to consider and to recommend appropriate action to be taken upon complaints against the official conduct of judges.

"(d) The Board shall consist of two judges from each division of the Corps. Each Board member shall be elected by the administrative law judges who are assigned to the division for a term of two years. The chief judge and the division chief judges may not serve on the Board.

"(e) A complaint of misconduct on the part of an administrative law judge must be made in writing. The complaint shall be filed with the chief judge, or it may be originated by the chief judge on his own motion. The chief judge shall refer the complaint to a panel consisting of three members of the Board selected by the Council, none of whom serves in the same division as the administrative law judge who is the subject of the complaint. The complaint must be referred as it was originally received or drawn and may not be accompanied by any other matter. The administrative law judge who was the subject of the complaint shall be given notice of the complaint and the composition of the panel. The administrative law judge may challenge peremptorily not more than two members of the panel. The Council shall replace a challenged member with another member of the Board who is eligible to serve on such panel.

"(f) The panel shall inquire into the complaint and shall render a report thereon to the Council. A copy of the report shall be provided concurrently to the administrative law judge who was the subject of the com-

plaint. The report shall be advisory only, except that if the report recommends that no action should be taken against the administrative law judge who was the subject of the complaint, the Council may file charges with the Merit Systems Protection Board or take other action against that administrative law judge based on the matters contained in the complaint only upon a finding by the Council that extraordinary circumstances warrant such action.

"(g) The proceedings, deliberations, and reports of the Board and the contents of complaints under this section shall be treated as privileged and confidential. Documents considered by the Board and reports of the Board are exempt from disclosure or publication under section 552 of this title. Section 552b of this title does not apply to the Board.".

AGENCY REVIEW STUDY AND REPORT

SEC. 3. The chief administrative law judge of the Administrative Law Judge Corps of the United States shall make a study of the various types and levels of agency review to which decisions of administrative law judges are subject. A separate study shall be made for each division of the Corps. The studies shall include monitoring and evaluating data and shall be made in consultation with the division chief judges, the Chairman of the Administrative Conference of the United States, and the agencies that review the decisions of administrative law judges. Not later than two years after the effective date of this Act, the Council shall report to the President and the Congress on the findings and recommendations resulting from the studies. The report shall include recommendations, including recommendations for new legislation, for any reforms that may be appropriate to make review of administrative law judges' decisions more efficient and meaningful and to accord greater finality to such decisions.

TRANSITION AND SAVINGS PROVISIONS

SEC. 4. (a) There are transferred to the administrative law judges of the Administrative Law Judge Corps established by section 562 of title 5, United States Code (as added by section 2 of this Act), all functions performed on the day before the effective date of this Act by the administrative law judges appointed under section 3105 of such title before the effective date of this Act.

(b) With the consent of the agencies concerned, the Administrative Law Judge Corps of the United States may use the facilities and the services of officers, employees, and other personnel of agencies from which functions and duties are transferred to the Corps for so long as may be needed to facilitate the orderly transfer of those functions and duties under this Act.

(c) The personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds employed, held, used, arising from, available or to be made available, in connection with the functions, offices, and agencies transferred by this Act, are, subject to section 1531 of title 31, United States Code, correspondingly transferred to the Corps for appropriate allocation.

(d) The transfer of personnel pursuant to subsection (b) of this section shall be without reduction in classification or compensation for one year after such transfer.

(e) The Director of the Office of Management and Budget, at such time or times as the Director shall provide, may make such determinations as may be necessary with regard to the functions, offices, agencies, or portions thereof, transferred by this Act, and to make such additional incidental dispositions of personnel, assets, liabilities, grants, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to, or to be made available in connection with such functions, offices, agencies, or portions thereof, as may be necessary to carry out the provisions of this Act. The Director shall provide for such further measures and dispositions as may be necessary to effectuate the purposes of this Act, and for the termination of the offices and agencies specified in this Act.

(f) All orders, determinations, rules, regulations, certificates, licenses, and privileges which have been issued, made, granted, or allowed to become effective in the exercise of any duties, powers, or functions which are transferred under this Act and are in effect at the time this Act becomes effective shall continue in effect according to their terms until modified, terminated, superseded, set aside, or repealed by the Administrative Law Judge Corps of the United States or a judge thereof in the exercise of authority vested in the Corps or its members by this Act, by a court of competent jurisdiction, or by operation of law.

(g) This Act shall not affect any proceeding before any department or agency or component thereof which is pending at the time this Act takes effect. Such a proceeding shall be continued before the Administrative Law Judge Corps of the United States or a judge thereof, or, to the extent the proceeding does not relate to functions so transferred, shall be continued before the agency in which it was pending on the effective date of this Act.

(h) No suit, action, or other proceeding commenced before the effective date of this Act shall abate by reason of the enactment of this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act and subchapter III of title 5, United States Code (as added by section 2 of this Act).

TECHNICAL AND CONFORMING AMENDMENTS

SEC. 6. Title 5, United States Code, is amended as follows:

(1) Section 573(b) is amended by redesignating paragraphs (4), (5), and (6) as paragraphs (5), (6), and (7), respectively, and inserting a new paragraph (4) to read as follows:

"(4) the chief administrative law judge of the Administrative Law Judge Corps of the United States;".

(2) Section 3105 is amended to read as follows:

"§ 3105. Appointment of administrative law judges.

"Administrative law judges shall be appointed by the Council of the Administrative Law Judge Corps pursuant to section 567 of this title.".

(3) Section 3344 and any references to such section are repealed.

(4) The table of sections for chapter 33 is amended by striking out the item relating to section 3344.

(5) The tables of contents of this title and of chapter 5 thereof each are amended by—

(A) redesignating subchapter III as subchapter IV; and

(B) inserting after the item relating to section 559 the following:

* * * * *

(6)(A) Subchapter III of chapter 75 of title 5, United States Code, is repealed.

(B) The table of sections at the beginning of chapter 75 of title 5, United States Code, is amended—

(i) by striking out the items relating to subchapter III and section 7521;

(ii) by striking out "Subchapter IV" and inserting in lieu thereof "Subchapter III"; and

(iii) by striking out "Subchapter V" and inserting in lieu thereof "Subchapter VI".

(7) Section 5314 is amended by adding at the end thereof the following:

"Chief Administrative Law Judge of the Administrative Law Judge Corps".

(8) Section 5315 is amended by adding at the end thereof the following:

"Division Chief Judges of the Administrative Law Judge Corps".

(9) Section 5316 is amended by adding at the end thereof the following:

"Administrative Law Judges in the Administrative Law Judge Corps".

(10)(A) Section 5372 is repealed.

(B) The table of sections at the beginning of chapter 53 of such title is amended by striking out the item relating to section 5372.

"SUBCHAPTER III—ADMINISTRATIVE LAW JUDGE CORPS

"Sec.
"561. Definitions.
"562. Establishment; membership.
"563. Chief administrative law judge.
"564. Divisions of the Corps; division chief judges.
"565. Council of the Corps.
"566. Judicial Nomination Commission.
"567. Appointment, compensation, and transfer of administrative law judges.
"568. Jurisdiction.
"569. Removal and discipline.".

OPERATIONS OF THE CORPS

SEC. 7. Operation of the Corps shall commence on the date the first chief administrative law judge of the Corps takes office.

EFFECTIVE DATE

SEC. 8. Except as otherwise provided, this Act and the amendments made by this Act shall take effect on the date of enactment.

By Mr. MITCHELL:

S. 1276. A bill to provide that the pensions received by retired judges who are assigned to active duty shall not be treated as wages for the purposes of the Social Security Act; to the Committee on Finance.

TREATMENT OF PENSIONS OF CERTAIN JUDGES

● Mr. MITCHELL. Mr. President, the Social Security Amendments of 1983 constituted a major congressional achievement. I am concerned, however, that a minor provision, dealing with the taxation of payments made to retired Federal judges who continue to handle cases, will have a severe adverse impact on the judiciary.

The bill I am introducing today would reinstate the provisions that were in effect prior to this year's social security bill. Under these provisions, payments made to retired Federal judges would not be treated as earned income.

Upon retirement, Federal judges can choose to enter senior status. When

they do so they voluntarily offer to continue performing their judicial services. These services are a major contribution to the Federal judiciary, as retired judges share the ever-increasing workload of the Federal courts.

Title I of the social security amendments extends social security coverage to Federal judges. I do not disagree with that. What I do disagree with, however, is the provision that treats as wages, for purposes of the social security system, compensation paid to retired judges who continue in active duty. This creates significant financial disincentives for retired judges to continue their judicial work. First, most obviously, they will be subject to the social security payroll tax, beginning in 1984. Second, because of the earnings limit, most retired judges between the ages of 65 and 70 will not receive whatever social security benefits they are entitled to receive.

Because of these disincentives, I am concerned that we run the risk of losing the services of many retired judges. To compensate for the loss of these services, Congress may well have to add additional judgeships to cope with existing caseloads, at a considerably greater expense. In addition to these undesirable effects on the judicial system and on the budget, this provision is simply unfair as it applies to current retired judges, who had agreed to continue service on terms that did not include social security coverage.

I believe that a more appropriate treatment would view compensation of retired Federal judges in active service as retirement income, not as earned income, and would acknowledge that these judges are performing their services voluntarily. This was the position taken in the Senate version of the social security legislation.

The provision in the final version of the bill was included with little study of its potential impact on the judicial system or of the unique status of Federal judges. My legislation represents a more reasonable interpretation of the services provided by retired Federal judges.●

By Mr. MELCHER:

S. 1277. A bill to amend the joint resolution making further continuing appropriations and providing for productive employment for the fiscal year 1983, and for other purposes; to the Committee on Energy and Natural Resources.

ENERGY CONSERVATION GRANTS TO LOCAL GOVERNMENT AND PUBLIC CARE INSTITUTIONS ACT OF 1983

Mr. MELCHER. Mr. President, in the fiscal year 1983 continuing resolution, Senator WARNER added an amendment which directed the Department of Energy to use up to $200 million in moneys obtained in settlements with oil companies for pricing violations and to distribute these funds by an allocation formula to the States. The States are permitted to apply these funds to any of the Federal energy conservation—and low-income energy assistance—programs in their State. The one exception was that in listing the eligible Federal programs the Warner amendment left out the program in the Energy Policy and Conservation Act under which buildings owned by units of local government and public care institutions may receive funds for energy audits and technical assistance. That Federal program does not permit funds to be used to purchase and install energy conservation measures—in contrast to the schools and hospitals program, which does permit the purchase and installation of energy conservation measures.

I am introducing an amendment which:

First, amends the Warner amendment to include the program for buildings of local government and public care institutions as an eligible activity; and

Second, provides that, for the purposes of the Warner amendment, States not only may apply the funds to the program for buildings of local government and public care institutions, they may also spend the funds for purchase and installation of energy conservation measures in those buildings. Again, expenditures for energy conservation measures are not normally permitted in this program.

I would expect that, as other overcharge funds accrue, the Warner amendment will be used as a model for distribution for those funds as well, so this proposed amendment, if adopted, may affect the use of more than $200 million.

I ask unanimous consent that the text of the bill be printed at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1277

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "Energy Conservation Grants to Local Government and Public Care Institutions Act of 1983."

SEC. 2. Amend Sec. 155(e)(2) of the Joint Resolution Making Further Continuing Appropriations and Providing for Productive Employment for FY 1983 (Public Law 97-377) to add a new subparagraph (F) as follows:

"(F) the program under Part H of Title III of the Energy Policy and Conservation Act (Public Law 94-163); except that for purposes of this Act the term "technical assistance" may include undertakings to acquire and to install one or more energy conservation measures (as defined in Sec. 400-A of the Energy Policy and Conservation Act (Public Law 94-163) in buildings owned by units of local government and public care institutions."

By Mr. MELCHER (for himself, Mr. TSONGAS, Mr. STENNIS, and Mr. COCHRAN):

S. 1278. A bill to provide for an accelerated program of research, development, and demonstration with respect to the production of electricity from magnetohydrodynamics, leading to the construction and operation of at least one major proof of concept demonstration project in connection with an existing electric powerplant, and for other purposes; to the Committee on Energy and Natural Resources.

THE MHD RESEARCH, DEVELOPMENT AND DEMONSTRATION POLICY ACT OF 1983

Mr. MELCHER. Mr. President, today I am introducing, for myself, Senator TSONGAS, Senator STENNIS, and Senator COCHRAN, the "Magnetohydrodynamics Research, Development and Demonstration Policy Act of 1983." This act establishes a cooperative program of research, development and demonstration with respect to magnetohydrodynamics (MHD) in the Department of Energy. The act also provides that, if sufficient support from the private sector can be obtained, the Secretary of Energy would undertake a proof of concept demonstration of MHD technology in connection with an existing electric powerplant.

A major proof of concept demonstration is the next logical step in MHD development. Carrying out this demonstration at an existing powerplant site will provide all the reliability and operational testing of data needed for commercial evaluation of MHD technology at a fraction of the cost of a new, full-scale demonstration plant.

Over the past several years Congress has supported a program of MHD research and development through the appropriations process. It is time that this support was translated into a definitive statutory program with specific agreed-upon objectives and milestones for the development of the technology. This will greatly facilitate congressional oversight, help insure a tightly run program, and provide for a far more rapid realization of the goal we all seek: expanded use of domestic coal to produce more electricity efficiently and in full compliance with applicable environmental laws and regulations.

MHD offers tremendous promise with respect to this goal. MHD is a technique for generating electricity that extracts double duty from the fuel it uses. Consequently, efficiencies approximately twice those achieved in ordinary electric powerplants are achievable with MHD. In addition, the environmental consequences of electric power generation—releases of carbon dioxide, sulfur dioxide, and oxides of nitrogen—are all below, and is some cases substantially below, applicable environmental limits in the

case of a powerplant that makes use of the technology of MHD.

As presently envisioned, an MHD facility would involve a conventional steam electric powerplant and an MHD "topping cycle." Both elements produce electricity from the same physical effect—the motion of charged particles that are free to move under the influence of a magnetic field. Oppositely charged particles moving in the same direction in a magnetic field tend to be forced apart. This charge separation can be exploited for the production of electric power. In a conventional powerplant the charged particles are free electrons in a conducting loop. The loop is made to spin in a magnetic field to produce the electric power. The heat from the combustion of fossil fuel is used to drive a turbine, which turns the conducting loop.

In an MHD channel the moving charged particles are ionized atoms contained in a blast of hot gases produced from the combustion of coal. The jet of ionized atoms passes through a magnetic field that separates oppositely charged particles and leads to the production of direct current electric power. Double duty use of the original fuel is accomplished because the jet of ionized gases, after passing through the MHD channel, provides the power to run a conventional turbine. In this way, the hot gases produced from the original combustion of coal are used twice to produce electricity.

Fuel-to-electricity efficiences for a typical MHD-assisted powerplant are expected to be 50 to 60 percent. This should be compared to a national average electric powerplant efficiency of approximately 32 percent and approximately 40 percent for typical new steam electric powerplants. Because much more electricity is produced from each unit of fossil fuel with MHD, the effects of all environmental pollutants from an MHD-assisted plant are automatically reduced on a per-kilowatt-hour basis. This means that the inevitable impact of waste heat, carbon dioxide loading of the atmosphere, acid rain and all other environmental effects of electricity generation and fossil fuel use are immediately reduced, and the cumulative impacts of these pollutants are pushed much farther into the future when, we hope, we will possess the know-how, the resources and, most importantly, the will to effectively and directly address these environmental issues.

Thus, the high efficiency of MHD power systems should significantly reduce thermal pollution. Only half as much cooling water is needed for MHD systems as compared to a conventional coal-fired unit of the same output, and only one quarter the amount of cooling water is needed to produce a kilowatt of electricity from MHD as compared to present nuclear power systems.

MHD power systems will have a substantial impact in reducing acid rain. Sulfur emissions are much, much lower in an MHD system than in a conventional coal-fired powerplant, because of the use of potassium as a "seed" for the MHD channel. Potassium carbonate is injected to serve as a source of the ionized atoms that act as the charge carriers in the MHD process. After serving this purpose, the potassium is available to combine with any sulfur released during coal combustion. The potassium sulfate produced is easily isolated and removed, carrying with it over 90 percent of the sulfur in the coal. This process is far more effective at sulfur removal than any flue gas sulfur removal technique now available. The capture of this much sulfur dramatically reduces acid rain from MHD powerplant emissions.

MHD has been tested in pilot-plant facilities in Massachusetts, Montana, and Tennessee. The Soviet Union has the most operating experience with MHD technology and also has the most ambitious plans for new construction of commercial facilities. According to testimony presented to the Senate Committee on Energy and Natural Resources, the Soviet Union is proceeding with the design and construction of a 500-megawatt electric power commercial utility plant that is expected to be on line in the mid-1980's.

Now is the time for the United States to undertake a proof of concept demonstration of MHD technology in connection with an existing electric powerplant. The addition of a MHD topping cycle to an existing electric powerplant will insure close cooperation with the private sector, will reduce the overall cost of the project and will maximize the practical operating experience obtained from the demonstration.

The bill I am introducing today authorizes the Secretary of Energy to enter into an agreement for such a demonstration if sufficient private sector interest in the project exists. This proof of concept facility would be capable of generating at least 50 megawatts of electric power from the MHD portion of the dual cycle arrangement that will come into existence when the MHD channel is added to the existing electric powerplant. The Secretary is also required to provide Congress with a comprehensive program management plan that integrates this proof of concept demonstration into a coordinated program for the development of MHD technology to the point of commercial acceptance.

The Federal Government could assume no more than 60 percent of the project costs of the proof of concept demonstration. Operation of the completed facility would be planned for 1992.

Mr. President, I am introducing this bill to initiate a discussion of policy for MHD research, development and demonstration. At the present time we are undergoing a reappraisal of fossil fuel RD&D priorities. Congress has, I think, conclusively demonstrated that it has no interest in the current administration's proposals to essentially eliminate fossil fuel research, development, and demonstration. I am hopeful that the administration will come to see the value of a much more ambitious program of Federal involvement in the development of alternative ways of using our vast resources of fossil fuel, particularly coal, which comprises the largest share of these reserves.

MHD deserves an important place in that program. I hope that the debate we are beginning with the introduction of this bill will lead to a wider recognition of that fact.

I ask unanimous consent that the text of the bill and a section-by-section analysis of its provisions appear in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1278

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be referred to as the "The Magnetohydrodynamics Research, Development and Demonstration Policy Act of 1983".

FINDINGS AND PURPOSES

SEC. 2. (a) FINDINGS—Congress hereby finds and declares that—

(1) the energy policy of the United States must emphasize the development, as rapidly as is feasible, of a diverse array of technologies capable of usir.g domestic coal efficiently and in an environmentally acceptable manner;

(2) technology for the production of electricity from coal making use of magnetohydrodynamics has the potential for substantially higher efficiencies than can be achieved with other technologies and also promises to meet major environmental requirements applicable to electric powerplants;

(3) commercial acceptance of magnetohydrodynamic technology for the production of electricity will significantly augment the ability of the United States to make use of domestic coal and to reduce its reliance on imported energy, thereby enhancing national security and offering benefits to the Nation as a whole;

(4) although the basic technology of magnetohydrodynamics is available, commercial acceptance of this technology is inhibited by the lack of an adequate Federal program for research, development and demonstration with respect to magnetohydrodynamics;

(5) magnetohydrodynamic technology is ready for a proof of concept demonstration on a scale sufficient to provide reliability and operational data to support commercial evaluation of the technology;

(6) the Federal Government must aggressively support research, development and demonstration of technology for the production of electricity making use of magnetohydrodynamics;

(7) the Federal Government must provide support for the early proof of concept demonstration of magnetohydrodynamic technology in connection with an existing electric powerplant so as to provide reliability and operational data for the technology in a manner that achieves the highest practicable testing and operational flexibility at a cost significantly below the cost of a full-sized demonstration powerplant; and

(8) an adequate program of research, development and demonstration of magnetohydrodynamic technology will require an increased commitment by the Federal Government.

(b) PURPOSES—The purposes of this Act are to—

(1) establish a definitive Federal program of research, development and demonstration with respect to the technology for producing electricity making use of magnetohydrodynamics;

(2) set forth specific goals for the program, including a target date of 1992 for routine operation in connection with an existing electric powerplant of a proof of concept demonstration facility incorporating magnetohydrodynamic components;

(3) authorize the Secretary of Energy to make financial commitments to, and to enter into a cooperative agreement with private firms for the financing of, a proof of concept demonstration of magnetohydrodynamic technology; and

(4) provide adequate authorization for appropriations for the program established under this Act.

DEFINITIONS

SEC. 3. As used in the Act the term—

(1) "demonstration" includes the addition of magnetohydrodynamic components to an existing electric powerplant in order to obtain operational experience with magnetohydrodynamic technology;

(2) "magnetohydrodynamics" means a system that uses a plasma composed of ionized gases at high temperatures in the presence of an external magnetic field to induce voltages sufficient for the production of electric power; and

(3) "Secretary" means the Secretary of Energy.

ACTIVITIES OF THE SECRETARY

SEC. 4. (a) DUTIES OF THE SECRETARY—

(1) The Secretary shall conduct and provide support for such research and development as he determines will most expeditiously clarify the scientific and technical issues that directly affect the development and commercial acceptance of magnetohydrodynamic technology.

(2) Research and development under paragraph (1) may include work on—

(A) magnet technology;

(B) instrumentation and diagnostics;

(C) materials properties and behaviour under conditions associated with operation of magnetohydrodynamic components;

(D) improved recovery and reprocessing of seed materials added to the magnetohydrodynamic plasma to improve conductivity;

(E) continued improvement of electrodes and channels capable of continuous operation for periods of one year or more;

(F) continued improvement of magnetohydrodynamic combustors; and

(G) such other matters as the Secretary determines will further the purposes of this Act.

(3) The Secretary shall accelerate research and development activities with respect to magnetohydrodynamics under the program in existence on the date of the enactment of this Act.

(b) COMPREHENSIVE PROGRAM MANAGEMENT PLAN—The Secretary, after consultation with representatives of the electric utility industry, design and construction firms, component suppliers, university and industrial research scientists and engineers, and other appropriate private sector organizations and firms, shall prepare a comprehensive program management plan for the conduct of research, development and demonstration activities under this Act. Such plan shall include—

(1) a presentation of the program strategy that will be used to achieve the purposes of this Act;

(2) a program implementation schedule, including identification of detailed milestone goals and associated budget and program resources requirements;

(3) a discussion of the principal alternative strategies and schedules under paragraphs (1) and (2) respectively and a statement of the reasons why these alternatives were rejected;

(4) a plan for financing the proof of concept demonstration project under section 5;

(5) identification of the supporting research and development needed to solve the scientific and engineering problems likely to arise with magnetohydrodynamic technology in meeting the 1992 target date; and

(6) an analysis of the institutional, environmental and economic considerations that affect the development and commercial acceptance of magnetohydrodynamic technology;

(c) TRANSMITTAL—The Secretary shall transmit the comprehensive program management plan under this section to the appropriate committees of the House of Representatives and the Senate not later than 180 days after the date of the enactment of this Act.

(d) INTERNATIONAL COOPERATION—The Secretary shall seek to enter into international cooperative agreements for the conduct of magnetohydrodynamic research and development of mutual benefit to the parties to any such agreement that the Secretary determines will further the purposes of this Act.

PROOF OF CONCEPT DEMONSTRATION

SEC. 5. (a) AGREEMENT—The Secretary shall offer to enter into an agreement in accordance with this section with the owner of an existing, coal-fired, electric powerplant, and with such other persons as the Secretary deems appropriate, for a proof of concept demonstration of magnetohydrodynamic technology in connection with such powerplant. Within 270 days after the date of the enactment of this Act, the Secretary shall publish notice soliciting bids for an agreement under this section.

(b) PROVISIONS.—The agreement under paragraph (a) shall provide for—

(1) the construction, operation and maintenance of a magnetohydrodynamic component of capacity of no less than 50 megawatts of electric power in connection with the existing electric powerplant referred to in paragraph (a);

(2) assumption by the Federal government of no more than sixty per centum of project costs under this section;

(3) a target date of January 1, 1992, for operation of the completed facility; and

(4) disposition of patents and other rights or privileges resulting from the project under this section in accordance with section 9 of the Federal Nonnuclear Research and Development Policy Act of 1974.

(c) COMPETITIVE BIDS.—Within one year after the date of the enactment of this Act the Secretary shall select the parties to the agreement under this section competitively, based on the bids available on the date thirty days prior to selection. In making the award of the selection under this section the Secretary shall weigh and take into account—

(1) estimated project costs to the Federal government;

(2) the prospects, as determined by the Secretary, for successful completion and operation of the project in accordance with the agreement;

(3) the extent, as determined by the Secretary, to which the project will contribute to the development and commercial acceptance of magnetohydrodynamic technology; and

(4) such other factors as the Secretary deems appropriate.

REVIEW PANEL

SEC. 6. (a) ESTABLISHMENT OF PANEL.—Within 90 days after the date of the enactment of this Act, the Secretary shall establish, and with the concurrence of the Energy Research Advisory Board shall appoint at least seven members to, a Technical Review Panel for Magnetohydrodynamics.

(b) MEMBERSHIP.—Each Member of the panel under subsection (a) shall be a person who by virtue of training and experience is especially qualified to review and comment on magnetohydrodynamic technology in relation to the electric utility industry and to review and comment on the ongoing programs and projects of the Secretary with respect to magnetohydrodynamic technology, including the proof of concept demonstration under section 5.

(c) PROCEDURES.—Activities of the panel under this section shall be in accordance with the laws and regulations, including provisions for compensation, governing activities of technical and fact-finding groups reporting to the Energy Research Advisory Board.

(d) DUTIES.—The panel under this section shall meet at least twice annually and shall review and make such recommendations as the panel deems appropriate on—

(1) the research and development programs of the Secretary with respect to magnetohydrodynamics;

(2) the comprehensive program management plan under section 4(b), the extent to which the plan is being followed and any needed amendments to the plan;

(3) the type of experiments and facilities needed to achieve the purposes of this Act;

(4) the progress in implementing section 5;

(5) the adequacy of cooperation with domestic private industry, including the electric utility industry, and the adequacy of cooperation internationally in research, development and demonstration with respect to magnetohydrodynamic technology;

(6) institutional, environmental and economic factors affecting the development and commercial acceptance of magnetohydrodynamic technology; and

(7) such other matters as the panel deems appropriate.

(e) Reports—The panel under subsection (a) shall report annually to the Energy Research Advisory Board. Such report shall include any recommendations under subsection (d). The Energy Research Advisory Board shall consider each report under this

subsection and shall promptly transmit the report along with the comments of the Board to the Secretary and to Congress.

REPORT TO CONGRESS

SEC. 7. As a separate part of the annual report submitted under section 801 of the Department of Energy Organization Act (Public Law 95-91), the Secretary shall submit to Congress an annual report on activities under this Act.

AUTHORIZATION OF APPROPRIATIONS

SEC. 8. (a) AUTHORIZATION—There is hereby authorized to be appropriated to the Secretary for the fiscal years ending September 30, 1984, September 30, 1985 and September 30, 1986, such sums as may be necessary to achieve the purposes of this Act.

(b) CONTRACTS—In carrying out the provisions of this Act, the Secretary may enter into contracts only to such extent or in such amounts as may be provided in advance in appropriations Acts.

SECTION-BY-SECTION ANALYSIS

THE MAGNETOHYDRODYNAMICS RESEARCH, DEVELOPMENT AND DEMONSTRATION POLICY ACT OF 1983

Section 1. This section establishes the title of the Act as "The Magnetohydrodynamics Research, Development and Demonstration Policy Act of 1983".

SEC. 2. This section sets forth Congressional findings and the purposes of the Act.

The former include a finding that magnetohydrodynamic technology is ready for a proof of concept demonstration on a scale sufficient to provide reliability and operational to support commercial evaluation of the technology.

The purposes include the provision of authority for the Secretary of Energy to make financial commitments to a proof of concept demonstration of magnetohydrodynamics under a cooperative financing agreement with the private sector.

SEC. 3. This section contains the definition of terms used in the Act, including "demonstration" and "magnetohydrodynamics".

SEC. 4. This section sets forth the duties of the Secretary under the Act. These duties include the conduct and support of a research and development program in magnetohydrodynamics and the preparation of a comprehensive program management plan for activities under the Act. The plan is to be transmitted to Congress not later than 180 days after the date of the enactment of the Act. The Secretary is directed to seek to enter into certain international cooperative agreements in magnetohydrodynamic research and development.

SEC. 5. This section describes the proof of concept demonstration authorized by the Act and requires the Secretary, within 270 days after the date of the enactment of the Act, to offer to enter into an agreement with the owner of an existing, coal-fired, electric powerplant for purposes of the demonstration.

The agreement must contain a number of provisions, including a requirement of a target date of January 1, 1992, for operation of the completed facility. The parties to the agreement are to be selected by the Secretary on a competitive basis using criteria set forth in the section.

SEC. 6. This section requires the Secretary to establish a Technical Review Panel for Magnetohydrodynamics. The membership, procedures and duties of the panel are set forth in the section. The duties include review of, and recommendations as the panel deems appropriate on, the progress in implementing the proof of concept demonstration under section 5.

SEC. 7. This section requires the Secretary to report annually to Congress on activities under the Act.

SEC. 8. This section authorizes such appropriations as may be necessary for fiscal years 1984, 1985 and 1986, and limits the Secretary's authority to enter into contracts to the aggregate amounts provided in advance in appropriations Acts.

By Mr. HELMS (for himself, Mr. McCLURE, Mr. EAST, and Mr. NICKLES):

S. 1279. A bill to amend the Food Stamp Act of 1977 to establish a State block grant option for the food stamp program; to the Committee on Agriculture, Nutrition, and Forestry.

FOOD STAMP OPTIONAL BLOCK GRANT ACT OF 1983

Mr. HELMS. Mr. President, I send to the desk legislation to permit States to operate a low-income nutrition assistance block grant in lieu of the present food stamp program.

This is the same legislation as that included within the Senate version of the Omnibus Budget Reconciliation Act of 1982. Unfortunately, the House conferees on the bill did not agree to include this provision in the 1982 reconciliation bill.

This forthright, sensible approach to nutritional assistance merits the careful consideration and support of my colleagues, as it did last year. We need not be confined to the issues of the past in determining how best to manage food assistance in the future.

Providing the States with the discretion on how to operate their programs will enable those States which wish to strike out in a new direction the option to do so without any coercion to those States who do not want to take such initiatives. This optional block grant approach allows federalism to work at its best, with maximum State flexibility.

BACKGROUND

In 1981, the Committee on Agriculture, Nutrition, and Forestry recommended, and the Congress enacted, a mandatory block grant for Puerto Rico, which is funded at $825 million annually.

Many State and local officials have suggested to me for years that for numerous reasons they feel the need for greater flexibility in the administration of the food stamp program.

The current food stamp program is caught between two competing interests. On the one hand, administrators at all levels of government—Federal, State, and local—desire that the program be as administratively simple and efficient as possible, an objective I share.

However, the additional Federal interest is that of insuring responsibility by the States in the operation of the current program. This is needed because under the present system the Federal Government bears 100 percent of the costs of the program; that is, the actual food stamp benefits distributed to individual households. Therefore, States have often concentrated on increasing the number of food stamp recipients; to do so did not cost the State, but rather was financed by the Federal Government.

Additionally, there has been all too little concern with efficient administration because, again, costs for failures in the system largely are being borne by the Federal Government. Administrative costs associated with the program are shared, 50-50, between the Federal Government and State governments.

The present system, however, provides little to no incentive for States to operate an effective and efficient program. As a consequence, many safeguards have been added to the law and regulations to insure that States will be required to do effective administration, stress important verification procedures, detect and prosecute fraudulent participation, and so forth. In essence, the Federal Government has been forced to establish every jot and tittle of procedure in order to be certain that such measures are implemented by the States.

After hearing many suggestions from local and State officials, I have attempted to merge these two interests in a way that will benefit all interested parties—Federal, State, and local governments as well as recipients.

I believe this proposal will provide for the right mix of State responsibility—with a set amount of Federal funds each year—and State flexibility—by providing significant State discretion and independence—which should prove to be a successful approach.

FUNDING FORMULA

Under the State option block grant, each State would have the option of operating its own nutrition assistance program in lieu of the food stamp program. Federal funding would continue, based on the percentage of the national expenditures which have been going to each State. The block grant allocation to each State during any fiscal year would be based on the State's share of funding—both benefit costs and the Federal share of State administrative expenses—during the 12-month period ending March 31, 1983. No State would receive less than one-quarter of 1 percent of the total appropriation.

A State's initial allocation is based on the State's cost of operating the food stamp program between April 1, 1982, and March 31, 1983. A tentative outline of approximate percentages compiled by the Department of Agriculture follows, based on the 12 months ending December 31, 1982:

Ratio of operating costs—January 1, 1982 to December 31, 1982

[Percent of food stamp program during fiscal year 1982]

Alabama	2.92
Alaska	.29
Arizona	1.36
Arkansas	1.40
California	6.31
Colorado	.85
Connecticut	.68
Delaware	.27
District of Columbia	.47
Florida	4.67
Georgia	2.97
Guam	*.17
Hawaii	.69
Idaho	.38
Illinois	5.59
Indiana	2.18
Iowa	.87
Kansas	.58
Kentucky	2.80
Louisiana	2.59
Maine	.67
Maryland	1.74
Massachusetts	1.96
Michigan	4.67
Minnesota	.89
Mississippi	2.40
Missouri	1.93
Montana	.25
Nebraska	.34
Nevada	*.21
New Hampshire	.26
New Jersey	2.87
New Mexico	.87
New York	8.76
North Carolina	2.68
North Dakota	*.13
Ohio	5.44
Oklahoma	.83
Oregon	1.45
Pennsylvania	5.11
Rhode Island	.37
South Carolina	2.09
South Dakota	.25
Tennessee	3.27
Texas	5.91
Utah	.33
Vermont	*.20
Virgin Islands	*.20
Virginia	2.02
Washington	1.48
West Virginia	1.17
Wisconsin	1.13
Wyoming	*.08

Note: Figures may not add due to rounding.

*Under the block grant funding formula, a minmum of 0.25% would be provided to each State.

Source: Food and Nutrition Service, U.S. Department of Agriculture.

The provision requires the Secretary to pay each block grant State the total allotment of funds for a fiscal year to which the block grant State is entitled immediately after the Secretary has determined the amount of such an allotment at the beginning of the fiscal year. A State would thus know its minimum level of funding at the onset of the fiscal year. Any subsequent funding during a fiscal year, such as a supplemental appropriation, also would be allocated according to the formula.

The formula has been designed in such a way that neither States opting for the block grant nor those continuing under the Federal system will be disadvantaged. The legislation also requires the Secretary of Agriculture to work with the Comptroller General of the United States to develop alternative formulas for the distribution of funds and report to Congress on such alternative formulas by June 30, 1984.

As with many of the block grants established in other programs in 1981, the provision permits the Secretary to allocate funds directly to Indian tribes from the allotment of the block grant States, if the tribes so request and if the Secretary determines that a direct allocation would better serve the members of the tribe or tribal organization.

STATE FLEXIBILITY

Maximum flexibility would be granted to each State to establish nutritional assistance programs designed to meet the needs of that State. Regulatory involvement by the Department of Agriculture would be minimal. The Department would not be permitted to override State plans of operation which meet the guidelines of the legislation.

Each block grant State would have exclusive authority to make determinations concerning standards of or requirements for eligibility to receive assistance under funds furnished through the block grant, and the Secretary may not interfere with such determinations. The State's eligibility standards may include a requirement for work—such as workfare—or a requirement for financial contribution by the recipient.

The amount and form of assistance granted to individuals within the State would be determined by the State. A State must, however, follow through and implement the type and distribution of such assistance as it describes in its annual application.

A State wishing to operate a low-income nutritional assistance block grant during any fiscal year would notify the Secretary at least 30 days before the beginning of the first fiscal year it elects to operate a grant program. A State's election to operate a subsequent year is renewable at the State's option.

USDA OVERSIGHT

Protections that were incorporated in the 1981 block grants against discrimination and prohibiting the use of funds for construction purposes are included.

A State wishing to operate a block grant must submit an application to the Secretary of Agriculture which must include assurances that the State will comply with the purposes and restrictions of the low-income nutritional assistance block grant.

A State wishing to operate a low-income nutritional assistance block grant would be required to:

Conduct public hearings at least biennially by the legislature in order to insure public and legislative involvement in the operation of the block grant;

Certify that it will assess on a regular basis the food and nutrition needs of needy persons residing in the State;

Use the funds provided to raise the level of nutrition among low-income households residing in the State;

Designate a single agency which should be responsible for the administration, or supervision of the administration, of the program for which funds are provided;

Provide that fiscal control and fund accounting procedures will be established to assure the proper disbursal of and accounting for Federal funds, including procedures for monitoring the program carried out by the State with the assistance provided;

Provide for an audit, not less than biennially, of the State expenditures of funds received under the block grant;

Describe how the block grant State will carry out the above protections, and provide a description of the assistance to be provided and the recipients who will be eligible under the program, and the administering agency.

As with block grants adopted in 1981, the General Accounting Office would evaluate expenditures to assure that they are consistent with the requirements of the block grant legislation.

The Secretary's primary role with block grant States is one of oversight. He may, at the request of a State, provide technical assistance to a State considering a block grant, including any analysis of the feasibility and potential shortcomings of specific block grant plans under consideration by the State.

The Secretary would also be responsible for assuring that States opting for a block grant use the funds for the purposes for which they certified the funds would be used. The legislation requires the Secretary to respond expenditiously to complaints of a substantial or serious nature that a block grant State has failed to use funds in accordance with the enacting legislation.

The Secretary may institute fiscal sanctions against block grant States which fail to utilize their allotments in accordance with this legislation in several ways. He may withhold funds, require a State to repay the Federal Government, or offset the amounts against future allocations to the State.

The Secretary and the Comptroller General may request, and the block grant State would be required to furnish, information about the operation of the block grant within that State. However, the Secretary and the Comptroller General may not require States to compile information not already available within the State.

Fines and imprisonment penalties are established for anyone who know-

ingly and willingly embezzles, misappropriates, steals, or obtains by fraud, false statements, or forgery, funds, assets, or property provided or financed under the legislation.

Two recent articles have drawn attention to the attractiveness of the State option block grant. I ask unanimous consent that an article on food stamp reform by Robert J. Valero that was published by the Heritage Foundation in Agenda 1983 and an article on food stamp fraud by Randy Fitzgerald that was published in the February 1983 issue of Reader's Digest be printed at his point in the RECORD.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

FOOD STAMP REFORM

(By Robert J. Valero)

The Food Stamp program is in desperate need of reform. The Administration, deeply committed to the New Federalism, had toyed with the idea of transferring food stamps back to the states, but gave in to the opposition of state governors. Thus far, this omission has been one of the major weaknesses of the Administration. A concerted effort to return to the states the responsibility of providing nutritional assistance to those with low incomes should be the Administration's top priority for the Food Stamp program in 1983.

The Administration made a major attempt to restrain the rapid growth of the Food Stamp program is 1982, but its proposals have been resisted on Capitol Hill. The White House proposed reforms that would have resulted in a savings of $2.3 billion in FY83, but Congress reauthorized the program for three years with budget cuts totaling only $1.9 billion over the extended period. Funding has been authorized at levels of $12.87 billion in FY83, $13.15 billion in FY84, and $13.93 billion in FY85. The savings enacted by Congress, thus, amount to less than 5 percent of the total cost of the program, and only one-fifth of the Administration's requested cost savings. Moreover, great care was taken to avoid terminating eligibility of any of the 22 million recipients of the program.

Congress' actions continue to turn away from the original purpose of the Food Stamp program. Designed to provide nutritional assistance to low-income families and to supplement farm incomes, it has mushroomed beyond recognition in its two decades of operation. In 1965, only 400,000 people received food stamps at a cost of $35 million. By 1981, the program was serving 22.4 million Americans—one out of every ten—at a cost of over $11 billion. Food stamps can no longer be considered a nutritional assistance program; in fact, they have evolved into more of an income subsidy. Studies show that less than 40 cents out of every food stamp dollar is used to purchase more food, while over 60 cents is used by recipients to buy other goods and services.

Senator Jesse Helms (R-North Carolina), Chairman of the Senate Agriculture Committee, proposed a state option block grant that would be a step in the right direction. Under the Helms proposal, each state would be given the opportunity to choose either to remain in the Food Stamp program or to implement its own nutritional assistance program. Any state opting to coordinate its own programs would continue to receive the same proportion of federal dollars that it had been receiving under the Food Stamp program. Such a proposal should be considered by the Administration as a starting point for fundamental reform.

The block grant approach corrects some of the fundamental weaknesses of the Food Stamp program. The Food Stamp program is administered by the USDA and operated by state public assistance agencies through their local offices, creating a multi-tiered bureaucracy. Eligibility, benefit levels, and regulations are determined by Congress. Thus, despite differences in conditions and living standards among the states and the fact that state and local agencies must handle the day-to-day operation of the program, one set of rules applies nationwide. Additionally, the excess of federal regulations and paperwork requirements increases costs and decreases efficiency. The USDA reports that it costs the federal government an average of $14 to provide one household's monthly benefit check.

The block grant approach would give the states the needed flexibility that the Food Stamp program sorely lacks. Each state would be permitted to design its own nutritional assistance program and to determine eligibility, benefit levels, and the necessary regulations. State and local officials, because of their proximity to the people they serve, are more aware of the needs and the will of their citizens. Greater public participation in the decision-making process will result, because citizens have more direct control over state and local affairs than they have over national affairs. Additionally, removing the federal government from all but the most essential regulatory oversight would substantially reduce red tape and administrative costs, resulting in higher efficiency and the availability of more funds to those in genuine need of assistance.

State responsibility for providing nutritional assistance will also encourage greater innovation. The Food Stamp program has no major competitors; thus, despite numerous changes in the structure of the program, fundamental change has been lacking. While giving the states the opportunity to devise programs that best meet the needs of their citizens, a block grant would create a more positive environment for experimentation. Successful state innovations could then be adapted by other states and tailored to their own situations.

Another advantage of a block grant would be the increased financial responsibility imposed on the states. In 1981, the average state error rate was 10.6 percent, translating into over $1 billion wasted. States have had little incentive to reduce waste, fraud, and abuse since the federal government pays 100 percent of the benefit cost and about 50 percent of state and local administrative costs. While the states have technically been held liable for excessive errors, the Secretary of Agriculture has waived every liability incurred thus far. Turning complete responsibility of administering nutrition programs to the states would encourage states to scrutinize their programs much more closely. Again, more efficient administration would be encouraged.

One of the criticisms of the block grant approach to nutrition aid is that the states and localities will not be willing or able to provide the required services. This argument is largely outdated. States have undergone major structural changes in the past twenty years, and the powers of local jurisdictions have increased. The states already administer a number of federal social programs such as Medicaid, welfare, housing assistance, nutrition for children and the elderly, and most significantly, operation of the Food Stamp program.

The Reagan Administration insists that the states and localities can better manage social welfare programs. A reaffirmation of that commitment is of fundamental importance for food and stamp reform in 1983.

TIME TO CRACK DOWN ON FOOD-STAMP FRAUD

(By Randy Fitzgerald)

In Kentucky undercover policemen discover that federal food stamps are being traded for automobiles, drugs and automatic weapons. Among 30 suspects arrested is a 62-year-old man convicted of selling the sexual services of a 14-year-old boy for $6,000 in food stamps and $1,000 in cash.

In Chicago a 34-year-old woman is convicted of defrauding food-stamp and related welfare programs of $92,000 over eight years. A Justice Department official estimates food-stamp fraud in the Chicago area totals $36 million annually.

In New York City five members of a family are sentenced to prison for participation in a conspiracy involving the theft of between $4 million and $5 million in food stamps, and laundering them through meat markets.

The food-stamp program has been one of the fastest-growing of all federal programs—escalating from a $30.5-million budget and 367,000 recipients in 1964 to $11.3 billion and 22.5 million recipients today. It is also one of the most fraud-ridden and poorly run programs. Federal investigators calculate that up to $1.6 billion a year is wasted as a result of recipient fraud, administrative error, and organized theft and counterfeiting. In many parts of the country, food stamps have literally become a second currency, used to support a thriving black market in stolen and illicit goods. Says Sen. William L. Armstrong (R., Colo.). "Theft, abuse and error in the program are not just a rip-off of taxpayers; they are a crime against the poor."

What happened? How did an altruistic program, intended to supplement the diet of needy families, become such a morass of problems?

Under the Food Stamp Act, the U.S. Department of Agriculture sets uniform national standards for eligibility in the program and distributes the money in the form of food stamps to the states. It is left to the states to set up certification and delivey systems to ensure that qualified persons receive the assistance.

Tragically, many administrators of state agencies and of local welfare departments neglected to police the program. In 1981 more than $1 billion of federal food-stamp money was misspent as a result of poor state and local administration.

New York City, for example, found itself issuing as many as 27,000 replacement cards for stamp allotments a month to people claiming not to have received their original ones. With neither the resources nor perhaps the inclination to verify these claims, total costs to the city from replacement cards alone reached $15 million a year.

Once word got out that the food-stamp program was easy pickings, fraud losses rose dramatically. Ways in which the system is being defrauded:

Some recipients understate their income and overstate family size to increase their allotments of stamps. Much of this fraud goes undetected because most welfare offices lack facilities to verify claims. Cheats

have also concocted phony names, worn disguises, invented entire families, and collected benefits for years from more than one welfare office or county or state. Between April and September 1981, a Minneapolis man was on the foodstamp rolls of 13 counties in Iowa, Minnesota, North and South Dakotas and Wisconsin.

In Iowa, where recipients receive their food stamps through the mail, investigators discovered that from June 1979 to June 1981, thefts of the stamps from within the mail-distribution system soared 282 percent. In Cook County, Illinois, 26 welfare caseworkers were convicted for creating and servicing fictitious households. With wider acceptance of food stamps as a second currency, counterfeiting has become more common. In Chicago in late 1980, investigators charged two men with counterfeiting $1.1 million in coupons.

Even in 1980, when Congress enacted 14 anti-fraud provisions, slow-moving bureaucrats in the Food and Nutrition Service failed to respond. Nearly two years passed before FNS regulations implemented all the anti-fraud measures.

In September 1981, with the food-stamp program beset by problems, the Justice Department created a Food Stamp Fraud Task Force to undertake a nationwide crackdown. Meanwhile, in the areas of the country where computers matched lists of stamp recipients with tax and unemployment rolls, prosecutors began obtaining even more fraud indictments and convictions. There were 83 convictions as a result of computer matching in Memphis, Tenn. In Los Angeles a substantial portion of 1600 possible fraud cases referred for investigation every month are identified by computer matches. Concedes Jeffrey Rush, Jr., Midwest regional inspector general for the Department of Agriculture, "The court system can't accommodate the hundreds of cases we have under review. But indictment puts cheats on notice that we are serious about going after fraud."

A more pragmatic reason for the change in attitude among state and local officials: on January 12, 1982, Agriculture officials informed the 13 states with the highest error rates that unless they sharply reduce the mistakes, heavy fines will be levied against them.

The following changes mandated by Congress should have an equally profound effect:

Since November 1, 1982, recipients in 16 project areas with the largest numbers of participants—including Los Angeles, New York and Chicago—have been required to present plastic laminated cards bearing their photographs in order to acquire food stamps. This should drastically reduce theft and trafficking in stolen stamps.

As of January 1, 1983, all states must check wage information from tax or unemployment offices against the food-stamp rolls. This should help weed out ineligibles by revealing under-reported and unreported income.

By October 1, 1983, states must require that food-stamp households report monthly on changes in family size and income. This should enable caseworkers to monitor changes in eligibility.

Experiments are also under way to bring the entire food-stamp system into the computer age. Pilot projects in New York City and Detroit are experimenting with a magnetically encoded photo identification card that can be checked through a central computer to ensure that the holder receives the proper quota of stamps. The Detroit system already is saving Michigan an estimated $863,000 a year.

While all of these changes show signs of reducing fraud, waste and confusion, Congress should make even more far-reaching reforms. They include:

BLOCK GRANTS

On July 1, Puerto Rico became the first U.S. territory to receive a block grant to replace its participation in the food-stamp program. Congress had voted to eliminate Puerto Rico from the program in an attempt to cut costs; nearly 60 percent of the population, 1.8 million people, were receiving stamps at an annual cost of $900 million. It is hoped that the block grant of $825 million will force Puerto Rican officials to be more cost-effective.

"If the Puerto Rico experiment proves advantageous," predicts Samuel Cornelius, the Reagan Administration's appointee as administrator of the Food and Nutrition Service, "I suspect that we will move as soon as possible toward the states' receiving block grants for food stamps, depending upon the states' acceptance."

CASHING OUT

Sending recipients a check instead of stamps would remove food stamps from the black market as a second currency and virtually stop counterfeiting. Other savings would come from eliminating the $41.5-milion-a-year cost for printing, distributing and ultimately destroying stamps.

Critics contend that recipients would spend the cash on everything but food. Yet Vermont, which gives cash to low-income persons to buy heating fuel, found that fewer than one percent use the money for other purposes.

Until a system making all paper transactions obsolete can be implemented nationally, cashing out food-stamp benefits, along with block grants, is the most sensible approach if we are to combat fraud and achieve long-term savings. We can accept no less from a program whose abuses for too long have fattened the greedy, deprived the needy and robbed the taxpayer.

Mr. HELMS. Mr. President, I also ask unanimous consent that the text of the bill be printed at the conclusion of my remarks.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 1279

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Food Stamp Optional Block Grant Act of 1983".

SEC. 2. (a) The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end thereof the following new section:

"STATE BLOCK GRANT OPTION

"SEC. 21. (a) As used in this section, unless the context otherwise requires, the term—

"(1) 'Attorney General' means the Attorney General of the United States.

"(2) 'Block grant State' means a State which is operating a low-income nutritional assistance program in accordance with this section.

"(3) 'Comptroller General' means the Comptroller General of the United States.

"(4) 'State' means the fifty States, the District of Columbia, Guam, and the Virgin Islands of the United States.

"(b)(1) A State may elect—

"(A) to operate a low-income nutritional assistance block grant program to finance expenditures for food assistance for needy persons within the State in accordance with this section, or

"(B) to have the Secretary operate the food stamp program within the State in accordance with sections 2 through 18 and section 20.

"(2) If a State elects to operate a low-income nutritional assistance block grant program pursuant to paragraph (1)(A), the State shall give notice to the Secretary of such election at least thirty days before the beginning of the first fiscal year it elects to operate the program.

"(3) The Secretary shall make grants to block grant States in accordance with this section.

"(4) The Secretary shall retain each fiscal year, out of funds appropriated pursuant to the authorization contained in section 18(a)(1) for such fiscal year (other than the amount apportioned pursuant to section 19(a)), an amount which bears the same ratio to the total amount appropriated pursuant to such authorization as the amounts received by and benefits distributed in block grant States for the period beginning April 1, 1982, and ending March 31, 1983, under this Act and section 8 of the Act of December 31, 1973 (Public Law 93-233; 42 U.S.C. 1382e note), bears to the total amount received by all States for such period under this Act and such section.

"(c)(1)(A) The Secretary shall allot to each block grant State in each fiscal year, out of funds retained under subsection (b)(4) for such fiscal year, an amount which bears the same ratio to the total amount of funds retained under such subsection as the amount received by and benefits distributed in such block grant State for the period beginning April 1, 1982, and ending March 31, 1983, under this Act and section 8 of the Act of December 31, 1973 (Public Law 93-233; 42 U.S.C. 1382e note), bears to the total amount received by all such block grant States for such period under this Act and such section.

"(B) Notwithstanding subparagraph (A), no block grant State may receive for any fiscal year an amount less than one-quarter of 1 per centum of the amount appropriated pursuant to the authorization contained in section 18(a)(1) for such fiscal year which remains after the apportionment required by section 19(a). If one or more block grant States receive minimum allotments by virtue of this subparagraph, the total amount of funds available to other States shall be reduced by the total amount of allotments received by virtue of this subparagraph.

"(2)(A) If, with respect to any block grant State, the Secretary—

"(i) receives a request from the governing body of an Indian tribe or tribal organization with the block grant State that assistance under this section be made directly to the tribe or organization; and

"(ii) determines that the members of the tribe or tribal organization would be better served if grants to provide benefits under this section were made directly to such tribe or organization,

the Secretary shall reserve, from amounts which would otherwise be allotted to the block grant State under this section for the fiscal year, the amount determined under subparagraph (B).

"(B) The Secretary shall reserve for the purpose of subparagraph (A) from sums

that would otherwise be allotted to the block grant State an amount which bears the same ratio to the block grant State's allotment for the fiscal year involved as the population of all eligible Indians for whom a determination has been made under this paragraph bears to the population of all individuals eligible for assistance under this section in the block grant State.

"(C) The sums reserved by the Secretary under this paragraph shall be granted to Indian tribes and tribal organizations on the basis of the relative number of individuals contained in the Indian tribes and tribal organizations for whom a determination has been made under this paragraph.

"(D) To be eligible for a grant under this paragraph in any fiscal year, an Indian tribe or tribal organization must submit to the Secretary a plan for the fiscal year which meets such criteria as the Secretary may prescribe by regulation.

"(d)(1) To be eligible for a grant under this section in any fiscal year, a block grant State must submit an application to the Secretary for the fiscal year. Each application shall be submitted at such time and in such form as the Secretary shall require.

"(2) No funds may be allotted to a block grant State for any fiscal year after the fiscal year in which such block grant State received funds under this section unless the legislature of the block grant State conducts public hearings, not less often than biennially, on the proposed use and distribution of funds to be provided under this section.

"(3) As part of the application required by paragraph (1), the chief executive officer of each block grant State shall certify in writing that the block grant State will—

"(A) assess on a regular basis the food and nutrition needs of needy persons residing in the block grant State;

"(B) use the funds made available to it under this section to raise the level of nutrition among low-income households residing in that block grant State;

"(C) designate a single agency which shall be responsible for the administration, or supervision of the administration, of the program for which funds made available under this section are used;

"(D) provide that fiscal control and fund accounting procedures will be established to ensure the proper disbursal of and accounting for Federal funds paid to the block grant State under this section, including procedures for monitoring the program carried out by the block grant State with the assistance provided under this section;

"(E) provide for an audit (pursuant to paragraph (8)), not less often than biennially, of the block grant State's expenditures of amounts received under this section;

"(F) describe how the block grant State program will operate to carry out this paragraph, including a description of the assistance to be provided under the program, the recipients who will be eligible under the program, and the administering agency; and

"(G) comply with all the requirements of this paragraph and the public hearing requirement of paragraph (2).

"(4) The Secretary may not prescribe the manner in which the block grant States comply with paragraph (3). Each block grant State may prescribe, and the Secretary may not limit, standards of or requirements for eligibility for benefits under this section. Such standards or requirements may include a requirement for work or household contributions, or both, as a condition of eligibility for benefits under this section.

"(5) A grant made under this section may not be used by the block grant State, or by any person with whom the block grant State makes arrangements to carry out this section, for the purchase or improvement of land, or the purchase, construction, or permanent improvement of a building or other facility.

"(6)(A) The chief executive officer of each block grant State shall prepare and furnish to the Secretary a plan which describes how the block grant State will implement the assurances specified in paragraph (3). The chief executive officer of each block grant State may revise a plan prepared under this subparagraph and shall furnish a copy of the revised plan to the Secretary before its implementation.

"(B) A plan, including any revision of a plan, prepared under subparagraph (A) shall be made available for public inspection within the block grant State in a manner that will facilitate the review of, and comment on, the plan.

"(C) An Indian tribe or tribal organization which receives a grant under subsection (c)(2) shall not be a part of the plan submitted under this paragraph.

"(7) The Secretary may, upon a block grant State's request, provide technical assistance with respect to programs for the provision of assistance under this section, including technical assistance for the purpose of determining the feasibility of specific block grant plans udner consideration by the block grant State.

"(8) Each block grant State shall provide for an annual audit of the funds provided to such block grant State under this section and shall have such audit conducted by an entity independent of the agency administering activities or services under this section. The audit shall be conducted in accordance with generally accepted accounting principles. Within thirty days after the completion of the audit, the chief executive officer of the block grant State shall submit a copy of the audit to the legislature of the block grant State and the Secretary.

"(9) The Comptroller General shall from time to time evaluate expenditures by block grant States of grants made under this section in order to ensure that expenditures are consistent with this section and to determine the effectiveness of the block grant State in accomplishing the purposes of this section.

"(e)(1) No person may on the ground of race, color, national origin, or sex be excluded from participation in, be denied the benefits of, or be subjected to discrimination under, a program or activity funded with funds made available under this section. Any prohibition against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.) or with respect to an otherwise qualified handicapped individual as provided in section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) shall also apply to such a program or activity.

"(2) Whenever the Secretary determines that there has been a failure to comply with paragraph (1) or any applicable regulation pertaining to paragraph (1), the Secretary shall notify the chief executive officer of the block grant State and request the chief executive officer to secure compliance. If within a reasonable period of time, not to exceed sixty days, the chief executive officer fails or refuses to secure compliance, the secretary may—

"(A) refer the matter to the Attorney General with a recommendation that an appropriate civil action be instituted;

"(B) exercise the powers and functions provided under title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d et seq.), the Age Discrimination Act of 1975 (42 U.S.C. 6101 et seq.), or section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794), as may be applicable; or

"(C) take such other action as may be provided by law.

"(3) When a matter is referred to the Attorney General pursuant to paragraph (2)(A), or whenever the Attorney General has reason to believe there has occurred a pattern or practice in violation of this subsection, the Attorney General may bring a civil action in an appropriate United States district court for such relief as may be appropriate, including injunctive relief.

"(f)(1) The Secretary shall pay each block grant State the total allotment of funds for a fiscal year to which the block grant State is entitled under subsection (c) immediately after the Secretary has determined the amount of such allotment.

"(2) Payments made to block grant State under this section for any fiscal year may be expended by the block grant State only in such fiscal year or in the succeeding fiscal year.

"(3) Any funds paid to a block grant State under subsection (c) which are not expended by the block grant State in the fiscal year for which they are paid or in the succeeding fiscal year may be expended by the block grant State on other social services provided pursuant to Federal law. The block grant State shall inform the Secretary of all such funds expended on other social services. If the block grant State elects not to expend all or part of the funds on other social services, the unexpended funds shall be returned to the Secretary and added to the amount made available for allotment to all the block grant States under subsection (b)(4) for the following fiscal year.

"(g)(1)(A)(i) A block grant State shall repay to the United States any amounts not expended other than in accordance with this section.

"(ii) The Secretary shall (in the absence of repayment by the block grant State under clause (i)) offset the amounts against any other amount to which the block grant State is or may become entitled under this section.

"(B)(i) The Secretary shall respond in an expeditious and speedy manner to complaints of a substantial or serious nature that a block grant State has failed to use funds in accordance with this section or an assurance made under subsection (d)(3).

"(ii) The Secretary, after adequate notice and an opportunity for a hearing conducted within the affected block grant State, shall withhold funds from a block grant State which fails to utilize its allotment substantially in accordance with this section or fails to meet an assurance made on behalf of the block grant State under subsection (d)(3).

"(C) Any funds repaid, offset, or withheld under this paragraph in any fiscal year shall be added to the amount made available for allotment to all the block grant States under subsection (b)(4) for the following fiscal year.

"(2) The Comptroller General may conduct investigations of the use of funds received under this section by a block grant State in order to ensure compliance with this section.

"(3)(A) In connection with an investigation conducted under this subsection, a block grant State shall make appropriate books, documents, papers, and records avail-

able to the Secretary and the Comptroller General, upon a reasonable request, for examination, copying, or mechanical reproduction on or off the premises of the entity concerned.

"(B) The Secretary and the Comptroller General may not request information not readily available to a block grant State or require that information be compiled, collected, or transmitted in a form not already available.

"(h) Whoever knowingly and willfully embezzles, misapplies, steals, or obtains by fraud, false statement, or forgery, any funds, assets, or property provided or financed under this section shall be fined not more than $10,000 or imprisoned for not more than five years, or both. If the value of the funds, assets, or property involved is not over $200, the penalty shall be a fine of not more than $1,000 or imprisonment for not more than one year, or both.

"(i)(1) The Secretary, in consultation with the Comptroller General, shall evaluate possible alternate formulas for the allotment of funds to block grant States under subsection (c). The formulas shall provide for the equitable distribution of the funds to block grant States and take into account the population, number of low-income households, financial resources, levels of unemployment, and such other factors within the block grant States which the Secretary deems appropriate.

"(2) The Secretary shall report to the Congress on the evaluation conducted pursuant to paragraph (1) no later than one year after the date of enactment of the Food Stamp Optional Block Grant Act of 1983.".

(b) Section 3 of the Food Stamp Act of 1977 (7 U.S.C. 2012) is amended by striking out "As" in the matter preceding subsection (a) and inserting in lieu thereof "Except as provided in section 21(a), as".

(c) The amendments made by this section shall be effective on October 1, 1983.

By Mr. DODD (for himself and Mr. WEICKER):

S.J. Res. 99. Joint resolution designating May 1983 as "Purple Heart Month," and honoring the three original recipients of the Purple Heart; to the Committee on the Judiciary.

PURPLE HEART MONTH

● Mr. DODD. Mr. President, I am today introducing a joint resolution which would designate May 1983 as Purple Heart Month. My colleague, Mr. WEICKER, joins me in this effort. In the House of Representatives, an identical measure has been introduced by Congresswoman BARBARA KENNELLY and cosponsored by all the other members of the Connecticut delegation.

There is a very good reason why those of us who represent the State of Connecticut have a special interest in this subject. In America's early military history, the Purple Heart was awarded for conspicuous bravery. George Washington established it on August 7, 1782, and it was soon thereafter awarded to three Connecticut men, all of them sergeants, fighting in the war for American independence.

Sgt. Elijah Churchill of Enfield, Sgt. William Brown of Stamford, and Sgt. Daniel Bissell of East Windsor thus became the first of more than 1 million Americans to earn this honor.

Today, of course, the Purple Heart is awarded to members of the Armed Forces or civilians serving with them who are wounded while defending the interests of our Nation. It thus symbolizes the personal sacrifice which Americans have always made when their country has needed them.

This is a truly significant part of our heritage and it is only fitting that we should reflect upon its meaning by observing Purple Heart Month and honoring the tradition which began some two centuries ago in the heroic actions of three soldiers from Connecticut.●

● Mr. WEICKER. Mr. President, today I join my colleague from Connecticut (Mr. DODD) in introducing a joint resolution that would set aside this month, May 1983, as Purple Heart Month. Last week, Congresswoman KENNELLY introduced an identical resolution on behalf of the entire Connecticut delegation.

Connecticut is proud to have been home to the three original recipients of the Purple Heart, which was at that time called the "Badge of Military Merit." Sgts. Elijah Churchill of Enfield, William Brown of Stamford, and Daniel Bissell of East Windsor all served during the American Revolutionary War. They were awarded this honor for their conspicuous bravery.

The first Purple Heart was presented to Sergeant Churchill on May 3, 1783. Two hundred years later, the medal still stands as a symbol of both stouthearted bravery and selfless commitment by individuals to their country. Today the Purple Heart is awarded to civilians as well as military who are wounded by the action of an opposing force. More than 1 million Americans have received it since World War I—and many of these died without seeing the medal their actions earned them.

I think important for the whole Nation to pause and remember these Purple Heart recipients, the living and the dead, and their valor on behalf of the Nation.●

ADDITIONAL COSPONSORS

S. 17

At the request of Mr. DOLE, the names of the Senator from Arkansas (Mr. BUMPERS), and the Senator from South Carolina (Mr. HOLLINGS) were added as cosponsors of S. 17, a bill to expand and improve the domestic commodity distribution program.

S. 29

At the request of Mr. GRASSLEY, the name of the Senator from North Carolina (Mr. EAST), was added as a cosponsor of S. 29, a bill to strengthen law enforcement in the areas of child exploitation and pornography, and for other purposes.

S. 45

At the request of Mr. SYMMS, the names of the Senator from North Carolina (Mr. HELMS), was added as a cosponsor of S. 45, a bill to amend title 18, chapter 44, United States Code, to provide clarification of limitations on controls of the interstate movement of firearms, and to prohibit the use of Federal funds to political subdivisions which implement certain gun control ordinances.

S. 108

At the request of Mr. GRASSLEY, the name of the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 108, a bill to amend the Internal Revenue Code of 1954 to encourage contributions of equipment to postsecondary vocational education programs and to allow a credit to employers for vocational education courses taught by an employee without compensation and for temporary employment of full-time vocational educational instructors.

S. 212

At the request of Mr. PRESSLER, the name of the Senator from Washington (Mr. JACKSON) was added as a cosponor of S. 212, a bill to authorize funds for the U.S. Travel and Tourism Administration.

S. 416

At the request of Mr. HATFIELD, the name of the Senator from Oregon (Mr. PACKWOOD) was added as a cosponsor of S. 416, a bill to amend the Wild and Scenic Rivers Act by designating a segment of the Illinois River in Oregon and the Owyhee River in Oregon as components of the National Wild and Scenic River System.

S. 427

At the request of Mr. BAUCUS, the name of the Senator from Kentucky (Mr. HUDDLESTON) was added as a cosponsor of S. 427, a bill to amend the Internal Revenue Code of 1954 to remove certain limitations on charitable contributions of certain literary, musical, or artistic compositions.

S. 462

At the request of Mr. GRASSLEY, the name of the Senator from Virginia (Mr. WARNER) was added as a cosponsor of S. 462, a bill to amend section 1951 of title 18 of the United States Code, and for other purposes.

S. 476

At the request of Mr. LEVIN, the names of the Senator from Ohio (Mr. GLENN), the Senator from Georgia (Mr. NUNN), the Senator from Wisconsin (Mr. KASTEN), and the Senator from New York (Mr. MOYNIHAN) were added as cosponsors of S. 476, a bill to amend title II of the Social Security Act to require a finding of medical improvement when disability benefits are terminated, to provide for a review and right to personal appearance prior to termination of disability benefits, to

provide for uniform standards in determining disability, to provide continued payment of disability benefits during the appeals process, and for other purposes.

S. 578

At the request of Mr. SIMPSON, the names of the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Pennsylvania (Mr. HEINZ), the Senator from California (Mr. CRANSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Arizona (Mr. DECONCINI), the Senator from Maine (Mr. MITCHELL), the Senator from Maryland (Mr. SARBANES), the Senator from Pennsylvania (Mr. SPECTER), and the Senator from Hawaii (Mr. INOUYE) were added as cosponsors of S. 578, a bill to amend title 38, United States Code, to provide for adult day health care services for veterans, to authorize the Veterans' Administration to administer a community residential care program, to establish a presumption of service-connection for former prisoners of war suffering from dysthymic disorder and to revise and clarify eligibility for reimbursement of expenses of travel for Veterans' Administration health care.

S. 591

At the request of Mr. INOUYE, the names of the Senator from Rhode Island (Mr. PELL), the Senator from North Carolina (Mr. HELMS), and the Senator from New Hampshire (Mr. HUMPHREY) were added as cosponsors of S. 591, a bill to amend the Internal Revenue Code of 1954 to provide a mechanism for taxpayers to designate $1 of any overpayment of income tax, and to contribute other amounts, for use by the U.S. Olympic Committee.

S. 815

At the request of Mr. HATFIELD, the names of the Senator from Oklahoma (Mr. BOREN), the Senator from Delaware (Mr. ROTH), the Senator from Iowa (Mr. JEPSEN), and the Senator from Wisconsin (Mr. KASTEN) were added as cosponsors of S. 815, a bill to provide that it shall be unlawful to discriminate against any meetings of students in public secondary schools and to provide the district courts with jurisdiction.

S. 870

At the request of Mr. ARMSTRONG, the name of the Senator from Wyoming (Mr. WALLOP) was added as a cosponsor of S. 870, a bill entitled "The Federal Contractor Employees Flexitime Bill."

S. 880

At the request of Mr. PRESSLER, the name of the Senator from Idaho (Mr. MCCLURE) was added as a cosponsor of S. 880, a bill to amend the Communications Act of 1934 to provide equity to daytime radio broadcasters.

S. 980

At the request of Mr. WALLOP, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 980, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to the surface mining of stone, clay, and sand work.

S. 986

At the request of Mr. PRESSLER, the name of the Senator from Florida (Mrs. HAWKINS) was added as a cosponsor of S. 986, a bill to repeal employer reporting requirements with respect to tips.

S. 995

At the request of Mr. EXON, the names of the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Virginia (Mr. WARNER) were added as cosponsors of S. 995, a bill to amend title 38, United States Code, to modify the rule for the commencement of the period of payment of certain adjustments in compensation in the case of hospitalized veterans.

S. 1000

At the request of Mr. TRIBLE, the names of the Senator from New York (Mr. D'AMATO), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 1000, a bill to promote increased ocean transportation of bulk commodities in the foreign commerce of the United States in U.S.-flag ships, to strengthen the defense industrial base, and for other purposes.

S. 1033

At the request of Mr. SIMPSON, the names of the Senator from Pennsylvania (Mr. SPECTER), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from California (Mr. CRANSTON), the Senator from West Virginia (Mr. RANDOLPH), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from Arizona (Mr. DECONCINI), and the Senator from Vermont (Mr. STAFFORD) were added as cosponsors of S. 1033, a bill to amend title 38, United States Code, to establish an emergency job training program for wartime veterans.

S. 1080

At the request of Mr. GRASSLEY, the names of the Senator from South Carolina (Mr. THURMOND), the Senator from Nevada (Mr. LAXALT), the Senator from Texas (Mr. TOWER), and the Senator from Idaho (Mr. MCCLURE) were added as cosponsors of S. 1080, a bill to amend the Administrative Procedure Act to require Federal agencies to analyze the effects of rules to improve their effectiveness and to decrease their compliance costs, to provide for a periodic review of regulations, and for other purposes.

S. 1090

At the request of Mr. WALLOP, the names of the Senator from Illinois (Mr. DIXON), and the Senator from California (Mr. WILSON) were added as cosponsors of S. 1090, a bill to establish a National Outdoor Recreation Resources Review Commission to study and recommend appropriate policies and activities for Government agencies at the Federal, State, and local levels and for the private sector, to assure the continued availability of quality outdoor recreation experiences in America to the year 2000, and for other purposes.

S. 1094

At the request of Mr. DODD, the names of the Senator from Montana (Mr. MELCHER), and the Senator from North Dakota (Mr. BURDICK) were added as cosponsors of S. 1094, a bill to amend the Vocational Education Act of 1963 to make grants to the States for high-technology vocational education programs.

S. 1145

At the request of Mr. DENTON, the names of the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Minnesota (Mr. DURENBERGER), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of S. 1145, a bill to recognize the organization known as the Catholic War Veterans of the United States of America, Incorporated.

SENATE JOINT RESOLUTION 19

At the request of Mr. INOUYE, the name of the Senator from Arizona (Mr. DECONCINI) was added as a cosponsor of Senate Joint Resolution 19, a joint resolution to authorize and request the President to designate the period August 26, 1983, through August 30, 1983, as "National Psychology Days."

SENATE JOINT RESOLUTION 74

At the request of Mr. GARN, the name of the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of Senate Joint Resolution 74, a joint resolution to express the sense of the Congress that the United States should promote the goal of strategic stability and reduce the risk of nuclear war through a balanced program of force modernization together with negotiations to achieve substantial, verifiable and militarily significant reductions to equal levels in the nuclear arsenals of both superpowers.

SENATE JOINT RESOLUTION 94

At the request of Mr. MATTINGLY, the name of the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of Senate Joint Resolution 94, a joint resolution to authorize and request the President to designate May 8, 1983 to June 19, 1983, as "Family Reunion Month."

SENATE JOINT RESOLUTION 97

At the request of Mr. BOSCHWITZ, the names of the Senator from Kansas (Mr. DOLE), the Senator from South Dakota (Mr. ABDNOR), the Senator from Alaska (Mr. MURKOWSKI), the

Senator from New Mexico (Mr. DOMENICI), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of Senate Joint Resolution 97, a joint resolution to authorize the erection of a memorial on public grounds in the District of Columbia, or its environs, in honor and commemoration of members of the Armed Forces of the United States and the allied forces who served in the Korean war.

SENATE CONCURRENT RESOLUTION 30

At the request of Mr. BAUCUS, the name of the Senator from Maryland (Mr. SARBANES) was added s a cosponsor of Senate Concurrent Resolution 30, a concurrent resolution to reject the medicare cuts contained in the President's fiscal year 1984 budget.

SENATE RESOLUTION 119

At the request of Mr. D'AMATO, the name of the Senator from Indiana (Mr. QUAYLE) was added as a cosponsor of Senate Resolution 119, a resolution expressing the sense of the Senate that the United States should proceed with the sale and delivery of F-16 aircraft to Israel.

SENATE CONCURRENT RESOLUTION 34—SUPPORTING A CALL FOR JOBS WITH PEACE

Mr. CRANSTON submitted the following concurrent resolution, which was referred to the Committee on Appropriations:

S. CON. RES. 34

Resolved by the Senate (the House of Representatives concurring),

Whereas in November 1982 over fifty cities and towns in the United States voted for cuts in military spending and greater funding of human services and civilian jobs programs, and the average "yes" vote was an extraordinarily high 66 percent, including Milwaukee, Wisconsin, registering 78 percent "yes"; Lansing, Michigan, 72 percent "yes"; and San Jose, California, a center of military industries, 62.3 percent "yes";

Whereas all Americans, including those subsisting on a fixed income or without an adequate source of income, should have the right to a decent standard of living with adequate nutrition, housing, health care, education, and other essential services;

Whereas the Nation's cities, counties, and communities are in desperate need of Federal action that generates jobs and services for their residents, and spending on weaponry is essentially nonproductive and generates fewer jobs per dollar than other Federal spending;

Whereas President Reagan has proposed military spending from fiscal year 1983 through fiscal year 1988 that would total some $2 trillion;

Whereas these proposed increases in military spending would require still deeper cuts in domestic programs in future years, fuel inflation, and further undermine our economy; and

Whereas the Reagan Administration is relentlessly increasing production of nuclear and conventional weapons far beyond the security needs of our Nation: Now, therefore, be it

Resolved, That it is the sense of the Congress that greater Federal funding should be made available for jobs and programs designed to meet the human needs of all segments of our population in an equitable fashion in the areas of education, job training and retraining, housing, health care, transportation, public health and safety, and other human services, including vocational rehabilitation, day care, nutrition and feeding programs, and child and spouse abuse prevention, by significantly reducing the amount of our tax dollars spent on weapons; and that these spending priorities will promote a healthier economy, greater national security, and more jobs with peace; and be it further

Resolved, That the Congress, in support of this call for jobs with peace, endorses the National Jobs With Peace Week of Sunday, April 15, to Saturday, April 21, 1984, and will publicize this week and explore other ways to assist in this effort, and urges the President to issue a proclamation calling upon the people of the United States, Federal, State, and local government officials, and other interested groups and organizations to set aside this week for appropriate observances, ceremonies, and other forms of recognition.

Mr. CRANSTON. Mr. President, I am today submitting Senate Concurrent Resolution 34, a concurrent resolution expressing the sense of the Congress in support of a call for jobs with peace. I believe that the text of the concurrent resolution speaks quite clearly for itself.

SENATE RESOLUTION 140—RELATING THE FIFTIETH ANNIVERSARY OF THE TENNESSEE VALLEY AUTHORITY

Mr. BAKER (for himself, Mr. RANDOLPH, Mr. HELMS, Mr. HOLLINGS, Mr. STENNIS, Mr. FORD, Mr. SASSER, Mr. HEFLIN, Mr. BURDICK, Mr. STAFFORD, Mr. HATFIELD, and Mr. HUDDLESTON) submitted the following resolution; which was referred to the Committee on Environment and Public Works:

S. RES. 140

Whereas May 18, 1983, marks the 50th anniversary of the signing, by President Franklin Delano Roosevelt, of the Act of Congress creating the Tennessee Valley Authority;

Whereas TVA soundly has demonstrated the wisdom of Congress and the President in creating a unique corporation "clothed with the power of government but possessed of the flexibility and initiative of a private enterprise;"

Whereas TVA's varied efforts are primarily carried out in a seven-state region, they also include many features that contribute to the national interest;

Whereas TVA for a half-century has helped achieve the integrated conservation and development of the Tennessee Valley's natural resources, successfully demonstrating this concept for the Nation and the world;

Whereas TVA has perfected flood control and hydropower development on the once raging Tennessee River and its tributaries, whose watershed receives an average annual rainfall of 52 inches, annually producing an average of 16 billion kilowatt hours of pollution-free, low cost electric power and annually preventing an average of $140 million in estimated flood damages on the Tennessee, Ohio, and Mississippi Rivers;

Whereas TVA has developed the transportation potential of the Tennessee River through 10 dams with navigation locks, providing direct employment of more than 45,000 persons in waterfront industries, annual transport of over 30 million tons of barge traffic and $100 million in annual transportation savings;

Whereas TVA economically and dependably, through 110 municipal electric utilities and 50 rural electric cooperatives, provides more than 100 billion kilowatt hours of electric power each year for 7 million people in 7 States, at rates 27 percent below the national average;

Whereas the TVA Power System is self-financed, at no cost to the Nation's taxpayers, and TVA has created an $18 billion Power asset owned by the taxpayers;

Whereas TVA has made repayments to the United States Treasury of $1.9 billion, $.5 billion more than the original Federal power-system investment;

Whereas TVA has led the Nation in energy conservation, surveying more than 700,000 homes and providing more than 310,000 interest-free loans for home weatherization;

Whereas TVA, one of the largest coal and nuclear power suppliers in the country, is strongly committed to clean air and nuclear safety and to research and demonstration of new methods to attain cleaner air and nuclear safety;

Whereas TVA equally is committed to demonstrating effective use of solar, biomass and other renewable energy sources;

Whereas TVA diligently has improved fertilizer technology for the Nation and the world, originating and transferring to use three-fourths of the Nation's present fertilizer technology through 661 licensed TVA innovations utilized by 389 fertilizer companies in 39 States:

Whereas TVA has improved farming productivity throughout the region, especially for the small farmer, through cooperative demonstrations;

Whereas TVA responsibly has conserved and developed the region's natural resources, reforesting 1.7 million acres of land, restoring fish and wildlife, improving the quality of air and water, and providing recreation for millions of people;

Whereas TVA has established a partnership in recreation on TVA lakes and lands, producing $70 million in annual recreation visit benefits and $630 million in government and business recreation development;

Whereas TVA's partnership with people over five decades has helped increase Valley per capita income from $168 in 1933 to $7,378 in 1980;

Whereas under the specific direction of the TVA Act to employ its personnel without regard to the civil service laws and to establish a system of organization to fix responsibility and promote efficiency, many TVA employees have become leaders in their particular fields and have contributed not only to TVA's efforts, but consistent with TVA's contribution to the national interest, have benefitted both business and governmental interests;

Whereas TVA has strenghened its partnership with its constituent States of Alabama, Georgia, Kentucky, North Carolina, Mississippi, Tennessee and Virginia, and hundreds of local communities, to enhance the region's economic future by increasing

the self-reliance of localities and the job skills of Valley residents; and

Whereas independent auditors confirm TVA's management is working to assure efficiency, accountability and openness in all activities;

Whereas TVA is indeed appropriately described as "Shaping Tomorrow Today;" and

Whereas TVA on May 18th will enter its 51st year of successful stewardship for the region, example for the United States and inspiration for developing nations throughout the world: Now therefore, be it

Resolved, That the United States Senate congratulates the directors, managers and employees—past and present—of the Tennessee Valley Authority on the occasion of its 50th Anniversary.

SEC. 2. The Secretary of the Senate is directed to transmit a copy of this resolution to the Chairman of the Board of Directors of the Tennessee Valley Authority.

Mr. BAKER. Mr. President on May 18 TVA will celebrate the 50th anniversary of signing of the act of Congress which created the Tennessee Valley Authority. To commemorate that occasion, I am submitting a resolution today which gives a thumbnail sketch of TVA's many accomplishments which are a resource for the people of this country.

I have always maintained—and rightly so—that TVA is a national resource—a national demonstration, an experiment which has worked. The benefits from TVA's many and varied activities are shared across this country and are expanding throughout the world. I, for one, want to congratulate the many people who have worked at TVA throughout the years, the present and former Board members, and the people in the Tennessee Valley who have been served by the TVA for the past 50 years.

We in Congress can be proud that some of the experiments which we work so hard to establish actually work—and work well. TVA is one of the success stories. Aptly described as "Shaping Tomorrow Today"—that is TVA.

Mr. RANDOLPH. Mr. President, I am pleased to join with my friend and colleague the able majority leader (Mr. BAKER) in submitting this resolution acknowledging the 50th anniversary of the Tennessee Valley Authority.

I was privileged a half-century ago to be involved in the development of the original TVA legislation. It was one of a wide variety of measures enacted during the troubled days of the Great Depression as a nation struggled to pull itself together and restructure its devastated economy.

One has but to visit the seven-State TVA region to know that success has flowed from what some said was a radical experiment 50 years ago. Although TVA is often seen only as a producer of electricity, its character and its operations are much more varied. TVA is indeed the Nation's largest electric utility but it is also heavily involved in such activities as economic development, recreation, conservation, and the production of fertilizer. It is, in effect, an active regional planning authority in its service area.

Today TVA is a vital force in the life and economy of the region. Its impact is widely felt and it is a responsible and often innovative neighbor. It has grown and matured in the last half century. It has charted new courses in helping to develop the region. It has encouraged scientific innovation. It has proven the validity of the original TVA concept enunciated in 1933.

Mr. President, together with the people of the valley, I look back with pride to 50 years of accomplishments by TVA. I also look forward to the future for I know that this now mature organization will continue to move forward to create a better life and a stronger economy in the Tennessee Valley.

SENATE RESOLUTION 142—LIMITING NUCLEAR WARHEAD ICBM'S

Mr. HUDDLESTON submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 142

Resolved, That the President should call on the leadership of the USSR to enter immediately into a bilateral moratorium on the testing and deployment of "new types" of ICBMs or new variants of "existing types" of ICBMs armed with more than one warhead, as a supplement to existing formal and informal limitations on strategic offensive arms.

No funds shall be expended under this or any other act for the testing or production of the MX for six months or until such time as the President certifies to the Congress that the USSR has tested or is deploying a "new type" of ICBM or a new variant of an "existing type" ICBM with more than one warhead after the date the bilateral moratorium comes into force.

The President is urged to propose to the USSR the following arms limitations: a. the two parties be allowed to test, deploy and produce one "new type of ICBM of a very small size armed with a single warhead; b. all future variants of "existing types" of ICBM be tested with single warheads; and c. a schedule be established for the phased reduction to an agreed ceiling of currently deployed MIRVed ICBMs.

The terms "new" and "existing" types of ICBMs are used herein as defined in Article IV. 9 of the SALT II Treaty. An "existing type" is an ICBM flight-tested as of May 1, 1979; a "new type" is a system tested after that date.

● Mr. HUDDLESTON. Mr. President, earlier today in the Senate Appropriations Committee, I voted "present" on Senate Concurrent Resolution 26, the MX resolution. I did so as a protest to this administration's arms control policy and its handling of the MX itself. If we are to proceed with the MX, then I believe we must have true arms control. I am encouraged by the letter which Senator NUNN received today from the White House, and I intend to study it closely. Personally, however, I hope that the Congress can look at some stronger proposals, either through a resolution or in conjunction with the defense authorization bill.

Consequently, I am submitting a resolution which proposes that the United States refrain from testing and deploying the MX if the Soviet Union will refrain from further testing of the SSX-24 or any other new MIRV'd ICBM. If the Soviet Union fails to refrain or if there is no response within 6 months, then the President could move ahead. The resolution would also urge the President to propose to the Soviet Union that we move toward single warhead missiles and set a phased reduction of currently deployed MIRVed ICBM's. If the Soviets fail to respond to a plan for reductions of existing MIRV's, the Congress could also authorize a go ahead on MX testing and production.●

AMENDMENTS SUBMITTED

IMMIGRATION AND NATIONALITY ACT REVISION

HATFIELD AMENDMENT NO. 1261

(Ordered to lie on the table.)

Mr. HATFIELD submitted an amendment intended to be proposed by him to the bill (S. 529) to revise and reform the Immigration and Nationality Act, and for other purposes; as follows:

On page 108, line 11, strike out "Within" and insert in lieu thereof "Except as provided in paragraph (3), within".

On page 110, between lines 8 and 9, insert the following:

"(3)(A) Before the President implements any change in or addition to the requirements of subsection (b) which would require an individual to present a card or other document (designed specifically for use for this purpose) at the time of hiring, recruitment, or referral, he shall prepare and transmit to the Committee on the Judiciary of the House of Representatives and the Committee on the Judiciary of the Senate a report setting forth his proposal to implement such a change or addition. No such change or addition may be implemented if, within 30 calender days after receiving such report, the Congress adopts a concurrent resolution stating in substance that it objects to the implementation of such change or addition.

"(4)(A) Any such concurrent resolution shall be considered in the Senate in accordance with paragraph (5).

"(B) For the purpose of expediting the consideration and adoption of concurrent resolutions under paragraph (3), a motion to proceed to the consideration of any such concurrent resolution after it has been reported by the appropriate committee shall be treated as highly privileged in the House of Representatives.

"(5)(A) For purposes of paragraph (3), the continuity of a session of Congress is broken only by an adjournment of the Congress sine die, and the days on which either House is not in session because of an adjournment of more than three days to a day certain are excluded in the computation of the period indicated.

"(B) Subparagraphs (C) and (D) of this subsection are enacted—

"(i) as an exercise of the rulemaking power of the Senate and as such they are deemed a part of the rules of the Senate, but applicable only with respect to the procedure to be followed in the Senate in the case of concurrent resolutions referred to in paragraph (3), and supersede other rules of the Senate only to the extent that such paragraphs are inconsistent therewith; and

"(ii) with full recognition of the constitutional right of the Senate to change such rules at any time, in the same manner and to the case of any other rule of the Senate.

"(C)(i) If the committee of the Senate to which has been referred a resolution relating to a certification has not reported such resolution at the end of ten calendar days after its introduction, not counting any day which is excluded under subparagraph (A), it is in order to move either to discharge the committee from further consideration of the resolution or to discharge the committee from further consideration of any other resolution introduced with respect to the same certification which has been referred to the committee, except that no motion to discharge shall be in order after the committee has reported a resolution with respect to the same certification.

"(ii) A motion to discharge under clause (i) may be made only by a Senator favoring the resolution, is privileged, and debate thereon shall be limited to not more than 1 hour, to be divided equally between those favoring and those opposing the resolution, the time to be divided equally between, and controlled by, the majority leader and the minority leader or their designees. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(D)(i) A motion in the Senate to proceed to the consideration of a resolution shall be privileged. An amendment to the motion shall not be in order, nor shall it be in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

"(ii) Debate in the Senate on a resolution, and all debatable motions and appeals in connection therewith, shall be limited to not more than 10 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

"(iii) Debate in the Senate on any debatable motion or appeal in connection with a resolution shall be limited to not more than 1 hour, to be equally divided between, and controlled by, the mover and the manager of the resolution, except that in the event the manager of the resolution is in favor of any such motion or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. Such leaders, or either of them, may, from time under their control on the passage of a resolution, allot additional time to any Senator during the consideration of any debatable motion or appeal.

"(iv) A motion in the Senate to further limit debate on a resolution, debatable motion, or appeal is not debatable. No amendment to, or motion to recommit, a resolution is in order in the Senate.

Mr. HATFIELD. Mr. President, the United States cannot continue to absorb unregulated flows of immigrants to this country. Our economy is distressed, our social services budgets are severely strained, and our capacities for compassion are fatigued. I would be negligent if I failed to acknowledge the outstanding leadership Senator SIMPSON has exhibited by bringing to the Senate floor at this early date a major immigration reform proposal, S. 529. This bill is the end product of exhaustive research and negotiation efforts by Senators SIMPSON, KENNEDY, and their colleagues on the Judiciary Committee, and I congratulate all of these Members for presenting to the Senate a very fair and balanced approach to the pressing immigration problems which continue to confront our communities.

However, there is a provision innocently tucked away in the 120-plus pages of S. 529 that poses a serious threat to the civil liberty and personal privacy of all of us. Section 274a(c)(1) permits the President to implement changes in or additions to the identification procedures mandated in the employer sanctions section to establish a secure system to determine employment eligibility.

Indeed, the bill does not require the issuance of a national ID card. It merely leaves the door wide open for the President to unilaterally implement a nationwide ID card without any congressional oversight or input or consultation.

Mr. President, I do not believe we can wash our hands of this matter quite so easily. The amendment that I am offering to the immigration bill will require the consent of both Houses of Congress to any changes in the law pertaining to a national identifier. My amendment does not forbid such a card from being instituted—it merely requires Congress to vote up or down on such a novel break in the tradition of our democracy.

There is no consensus among our citizens, let alone among the Members of Congress, that a national ID card is desirable. There are many of us who deeply resent the extent to which the social security card has become a national identifier. The social security numbering system, instituted to provide a speedy account system for the Social Security Board, is now used for draft registration purposes, college ID's, Senate ID's, driver's licenses, and as a cross-reference for every business and governmental personnel or credit system imaginable. And much of this can be traced to November of 1943, when President Roosevelt issued an Executive order which kicked the door wide open to allow the expansion of the use of the social security number in society.

Of course, the argument follows: Since we have an identification card of such broad use, why not standardize and broaden it a little more? Why not institute a simple national ID card? Well, Mr. President, the answer is very clear to me. To the extent the social security card has become a national ID card, that broad application must be curtailed—not expanded. We must not be blind to the Orwellian evils which operate below the surface of seemingly innocuous proposals such as those which suggest secure systems of identification. The principles of expedience, convenience, and uniformity which have allowed social security numbers to become a cornerstone in this Nation's identification process must give way to more enlightened views of personal privacy and human integrity.

What I find troublesome is the blind obedience to the notion that the more centralized the identification process, the more uniform the numbering system, the more mandatory the requirement, the better. More is not always better. In the case of the liberties and individual freedoms that distinguish Americans from other members of the human family, the more identification, the more uniformity, and the more centralization of information, the greater the relinquishment of these very liberties and freedoms we hold so dear. I suggest that the same forces which have pushed the size of Government to its present proportions are operating behind beguiling initiatives like national identification proposals.

The arguments in favor of formalizing what has effectively occurred with social security numbers are seductively simple. These arguments maintain that nothing will change and that there are no other alternatives. It is asked, "How else can you tell who is a lawful resident and who is not unless you have a noncounterfeitable, universal card?" Well, the issue cannot be framed in such simplistic terms. Each time a citizen is asked to prove that he is lawfully present, each time that a human being is equated with a number, and each time society pressures good citizens to comply with identification requirements mandated or even suggested by government fiat, then America becomes less free for all of us.

This computer age has spawned a tremendous reliance upon numbers and upon identifying persons and institutions through numerical data. We give our social security number reflexively—to anyone who asks—without even a passing thought about what such practices are doing to our individual or collective freedom. We all would be well-advised to consider how far we have come in such a short time in universalizing citizen identification. There are alternatives, certainly not as convenient or expeditious, as

present identification procedures, and these alternatives must be explored so that a line can be drawn between proper and improper identification practices.

The immigration pressures that have devastated Texas, Florida, California and other regions of this country make a national ID card a very attractive, expedient solution. However, we must thoughtfully approach such proposals, regardless of their short-term appeal.

Mr. President, this is not the first time the issue of a national ID card has been discussed. In 1976, the Department of Justice's report of the Federal Advisory Committee on False Identification thoroughly examined the possibility of adopting a national identification document. After extensive deliberation and study, this committee strongly advised against such a document. The National Commission on Immigration and Refugee Policy voted 9 to 7 in favor of an identification system based on existing documents. And I assure you, the citizens in my State have made themselves very clear about whether they want the Government to implement a costly new identification system.

Mr. President, one can oppose the implementation of a national ID card and still be in support of a strong employer's sanction provision in the bill. I have been supportive of the efforts of Senator SIMPSON and the many who have consumed years of service in the Senate in search of a rational immigration policy. Further, I take issue with anyone who suggests that my amendment would cripple the enforcement of strong immigration controls against employing illegal aliens.

The amendment that I am offering only requires Congress to examine whatever changes the President would like to implement with respect to nationwide documents of identification, and to vote it up or down. I believe Congress must not abdicate its responsibility here. There are issues of concern to Americans that run far deeper than control of our borders. All of these interests must be examined and balanced, and it would be irresponsible for us as a deliberative body to hand the President a blanket consent on the issue of whether America wants a national ID card.

Proponents of this section of the bill cannot have it both ways. They cannot claim that the bill most certainly does not require or even suggest a national ID card, and then simultaneously argue that if the President decides to implement such a card, Congress must not delay him. I am also unimpressed by the arguments which cite the laundry list of restrictions which would attend any employment eligibility document that may arise.

Mr. President, once in place, a national ID card would have a momentum all of its own. Restrictions would give way to expedience and simplicity, as it has in the case of a social security card, and the threat that all of this centralized information could be abused by private interests, or governmental interests, would acquire new, sobering dimensions.

In closing, Mr. President, I want to stress that this amendment is a precautionary measure and nothing more. It does not affect current enforcement of employer sanctions. It does not prevent the President from making changes in Subsection (B), provided those changes do not entail the implementation of a national ID card. What is more, this amendment does not prevent the President from actually implementing a national ID card system.

All the amendment does is stipulate a procedure to be followed allowing an expedited review by Congress of any proposal to institute a national ID card. This procedure is similar to the many that are in place in certain arms sales arrangements, and it has been carefully drafted so as to steer clear of constitutional challenges. In effect, all the amendment does is require Congress to sign off on any plan to implement a national ID card. I do not believe that is an unreasonable requirement, and I am hopeful my colleagues will support this amendment.

FIRST CONCURRENT RESOLUTION ON THE BUDGET

WEICKER (AND OTHERS) AMENDMENT NO. 1262

Mr. WEICKER (for himself, Mr. CHAFEE, Mr. HATFIELD, Mr. MATHIAS, and Mr. STAFFORD) proposed an amendment (subsequently modified) to the concurrent resolution (S. Con. Res. 27) revising and replacing the congressional budget for the U.S. Government for the fiscal year 1983, and setting forth the congressional budget for the U.S. Government for the fiscal years 1984, 1985, and 1986; as follows:

Strike out all after the resolving clause and insert in lieu thereof the following:

"That the Congress hereby determines and declares that the concurrent resolution on the budget for fiscal year 1983 is hereby revised, the first concurrent resolution on the budget for fiscal year 1984 is hereby established, and the appropriate budgetary levels for fiscal years 1985 and 1986 are hereby set forth:

"(a) The following budgetary levels are appropriate for the fiscal years beginning on October 1, 1982, October 1, 1983, October 1, 1984, and October 1, 1985:

"(1) The recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $603,325,000,000.
"Fiscal year 1984: $664,300,000,000.
"Fiscal year 1985: $736,175,000,000.
"Fiscal year 1986: $829,900,000,000.

and the amounts by which the aggregate levels of Federal revenues should be changed are as follows:

"Fiscal year 1983: +$125,000,000.
"Fiscal year 1984: +$8,900,000,000.
"Fiscal year 1985: +$12,675,000,000.
"Fiscal year 1986: +$51,000,000,000.

and the amounts for Federal Insurance Contributions Act revenues for hospital insurance within the recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $35,900,000,000.
"Fiscal year 1984: $39,700,000,000.
"Fiscal year 1985: $44,200,000,000.
"Fiscal year 1986: $50,900,000,000.

and the amounts for Federal Insurance Contributions Act revenues and other revenues pursuant to Public Law 98-21 for old age, survivors, and disability insurance within the recommended levels of Federal revenues are as follows:

"Fiscal year 1983: $148,500,000,000.
"Fiscal year 1984: $166,500,000,000.
"Fiscal year 1985: $187,700,000,000.
"Fiscal year 1986: $204,400,000,000.

"(2) The appropriate levels of total new budget authority are as follows:

"Fiscal year 1983: $875,925,000,000.
"Fiscal year 1984: $911,899,000,000.
"Fiscal year 1985: $986,074,000,000.
"Fiscal year 1986: $1,052,709,000,000.

"(3) The appropriate levels of total budget outlays are as follows:

"Fiscal year 1983: $807,325,000,000.
"Fiscal year 1984: $848,699,000,000.
"Fiscal year 1985: $914,574,000,000.
"Fiscal year 1986: $972,369,000,000.

"(4) The amounts of the deficits in the budget which are appropriate in the light of economic conditions and all other relevant factors are as follows:

"Fiscal year 1983: $204,000,000,000.
"Fiscal year 1984: $184,399,000,000.
"Fiscal year 1985: $178,399,000,000.
"Fiscal year 1986: $142,469,000,000.

"(5) The appropriate levels of the public debt are as follows:

"Fiscal year 1983: $1,383,900,000,000.
"Fiscal year 1984: $1,612,199,000,000.
"Fiscal year 1985: $1,841,298,000,000.
"Fiscal year 1986: $2,041,367,000,000.

and the amounts by which the temporary statutory limits on such debt should be accordingly increased are as follows:

"Fiscal year 1983: $93,700,000,000.
"Fiscal year 1984: $228,299,000,000.
"Fiscal year 1985: $229,099,000,000.
"Fiscal year 1986: $200,069,000,000.

"(6) The appropriate levels of total Federal credit activity for the fiscal years beginning on October 1, 1982, October 1, 1983, October 1, 1984, and October 1, 1985, are as follows:

"Fiscal year 1983:

"(A) New direct loan obligations, $55,400,000,000.

"(B) New loan guarantee commitments, $94,500,000,000.

"Fiscal year 1984:

"(A) New direct loan obligations, $48,200,000,000.

"(B) New loan guarantee commitments, $94,500,000,000.

"Fiscal year 1985:

"(A) New direct loan obligations, $48,100,000,000.

"(B) New loan guarantee commitments, $97,400,000,000.

"Fiscal year 1986:

"(A) New direct loan obligations, $48,700,000,000.

"(B) New loan guarantee commitments, $101,000,000,000.

"(b) The Congress hereby determines and declares the appropriate levels of budget authority and budget outlays, and the appro-

priate levels of new direct loan obligations and new loan guarantee commitments for fiscal years 1983 through 1986 for each major functional category are:

"(1) National Defense (050):

"Fiscal year 1983:

"(A) New budget authority, $244,100,000,000.

"(B) Outlays, $214,300,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $270,650,000,000.

"(B) Outlays, $242,600,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $300,950,000,000.

"(B) Outlays, $272,550,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $333,060,000,000.

"(B) Outlays, $302,420,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(2) International Affairs (150):

"Fiscal year 1983:

"(A) New budget authority, $24,900,000,000.

"(B) Outlays, $11,500,000,000.

"(C) New direct loan obligations, $11,700,000,000.

"(D) New loan guarantee commitments, $9,200,000,000.

"Fiscal year 1984:

"(A) New budget authority, $18,200,000,000.

"(B) Outlays, $12,700,000,000.

"(C) New direct loan obligations, $11,200,000,000.

"(D) New loan guarantee commitments, $10,300,000,000.

"Fiscal year 1985:

"(A) New budget authority, $16,500,000,000.

"(B) Outlays, $12,800,000,000.

"(C) New direct loan obligations, $11,500,000,000.

"(D) New loan guarantee commitments, $10,300,000,000.

"Fiscal year 1986:

"(A) New budget authority, $15,900,000,000.

"(B) Outlays, $12,800,000,000.

"(C) New direct loan obligations, $11,600,000,000.

"(D) New loan guarantee commitments, $10,300,000,000.

"(3) General Science, Space, and Technology (250):

"Fiscal year 1983:

"(A) New budget authority, $7,900,000,000.

"(B) Outlays, $7,700,000,000.

"(C) New direct loan obligations, $200,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $8,500,000,000.

"(B) Outlays, $8,200,000,000.

"(C) New direct loan obligations, $37,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $8,500,000,000.

"(B) Outlays, $8,500,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $8,400,000,000.

"(B) Outlays, $8,400,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(4) Energy (270):

"Fiscal year 1983:

"(A) New budget authority, $4,000,000,000.

"(B) Outlays, $4,600,000,000.

"(C) New direct loan obligations, $13,100,000,000.

"(D) New loan guarantee commitments, $200,000,000.

"Fiscal year 1984:

"(A) New budget authority, $3,900,000,000.

"(B) Outlays, $4,100,000,000.

"(C) New direct loan obligations, $13,900,000,000.

"(D) New loan guarantee commitments, $200,000,000.

"Fiscal year 1985:

"(A) New budget authority, $3,600,000,000.

"(B) Outlays, $2,900,000,000.

"(C) New direct loan obligations, $14,300,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $3,200,000,000.

"(B) Outlays, $2,700,000,000.

"(C) New direct loan obligations, $14,400,000,000.

"(D) New loan guarantee commitments, $0.

"(5) Natural Resources and Environment (300):

"Fiscal year 1983:

"(A) New budget authority, $12,500,000,000.

"(B) Outlays, $12,800,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $12,000,000,000.

"(B) Outlays, $12,500,000,000.

"(C) New direct loan obligations, $27,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $12,200,000,000.

"(B) Outlays, $12,600,000,000.

"(C) New direct loan obligations, $27,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $12,500,000,000.

"(B) Outlays, $12,200,000,000.

"(C) New direct loan obligations, $27,000,000.

"(D) New loan guarantee commitments, $0.

"(6) Agriculture (350):

"Fiscal year 1983:

"(A) New budget authority, $24,200,000,000.

"(B) Outlays, $24,000,000,000.

"(C) New direct loan obligations, $18,600,000,000.

"(D) New loan guarantee commitments, $5,500,000,000.

"Fiscal year 1984:

"(A) New budget authority, $11,600,000,000.

"(B) Outlays, $11,400,000,000.

"(C) New direct loan obligations, $12,100,000,000.

"(D) New loan guarantee commitments, $3,800,000,000.

"Fiscal year 1985:

"(A) New budget authority, $14,000,000,000.

"(B) Outlays, $12,300,000,000.

"(C) New direct loan obligations, $11,700,000,000.

"(D) New loan guarantee commitments, $3,800,000,000.

"Fiscal year 1986:

"(A) New budget authority, $13,200,000,000.

"(B) Outlays, $13,100,000,000.

"(C) New direct loan obligations, $12,200,000,000.

"(D) New loan guarantee commitments, $3,800,000,000.

"(7) Commerce and Housing Credit (370):

"Fiscal year 1983:

"(A) New budget authority, $5,200,000,000.

"(B) Outlays, $2,700,000,000.

"(C) New direct loan obligations, $6,500,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"Fiscal year 1984:

"(A) New budget authority, $5,900,000,000.

"(B) Outlays, $1,800,000,000.

"(C) New direct loan obligations, $6,400,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"Fiscal year 1985:

"(A) New budget authority, $6,500,000,000.

"(B) Outlays, $0.

"(C) New direct loan obligations, $6,300,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"Fiscal year 1986:

"(A) New budget authority, $6,500,000,000.

"(B) Outlays, −$300,000,000.

"(C) New direct loan obligations, $6,300,000,000.

"(D) New loan guarantee commitments, $48,700,000,000.

"(8) Transportation (400):

"Fiscal year 1983:

"(A) New budget authority, $26,800,000,000.

"(B) Outlays, $22,100,000,000.

"(C) New direct loan obligations, $200,000,000.

"(D) New loan guarantee commitments, $1,100,000,000.

"Fiscal year 1984:

"(A) New budget authority, $27,700,000,000.

"(B) Outlays, $25,900,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $600,000,000.

"Fiscal year 1985:

"(A) New budget authority, $28,400,000,000.

"(B) Outlays, $26,900,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $400,000,000.

"Fiscal year 1986:

"(A) New budget authority, $29,200,000,000.

"(B) Outlays, $27,800,000,000.

"(C) New direct loan obligations, $100,000,000.

"(D) New loan guarantee commitments, $300,000,000.

"(9) Community and Regional Development (450):
"Fiscal year 1983:
"(A) New budget authority, $8,300,000,000.
"(B) Outlays, $7,900,000,000.
"(C) New direct loan obligations, $2,100,000,000.
"(D) New loan guarantee commitments, $500,000,000.
"Fiscal year 1984:
"(A) New budget authority, $6,600,000,000.
"(B) Outlays, $8,100,000,000.
"(C) New direct loan obligations, $1,700,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1985:
"(A) New budget authority, $7,100,000,000.
"(B) Outlays, $8,200,000,000.
"(C) New direct loan obligations, $1,800,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1986:
"(A) New budget authority, $7,100,000,000.
"(B) Outlays, $7,600,000,000.
"(C) New direct loan obligations, $1,800,000,000.
"(D) New loan guarantee commitments, $400,000,000.
"(10) Education, Training, Employment, and Social Services (500):
"Fiscal year 1983:
"(A) New budget authority, $28,000,000,000.
"(B) Outlays, $26,800,000,000.
"(C) New direct loan obligations, $600,000,000.
"(D) New loan guarantee commitments, $6,500,000,000.
"Fiscal year 1984:
"(A) New budget authority, $31,800,000,000.
"(B) Outlays, $27,250,000,000.
"(C) New direct loan obligations, $700,000,000.
"(D) New loan guarantee commitments, $6,600,000,000.
"Fiscal year 1985:
"(A) New budget authority, $28,500,000,000.
"(B) Outlays, $28,400,000,000.
"(C) New direct loan obligations, $700,000,000.
"(D) New loan guarantee commitments, $6,600,000,000.
"Fiscal year 1986:
"(A) New budget authority, $28,500,000,000.
"(B) Outlays, $28,400,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $6,600,000,000.
"(11) Health (550):
"Fiscal year 1983:
"(A) New budget authority, $25,325,000,000.
"(B) Outlays, $29,825,000,000.
"(C) New direct loan obligations, $47,000,000.
"(D) New loan quarantee commitments, $200,000,000.
"Fiscal year 1984:
"(A) New budget authority, $32,749,000,000.
"(B) Outlays, $32,749,000,000.
"(C) New direct loan obligations, $29,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1985:
"(A) New budget authority, $35,724,000,000.
"(B) Outlays, $35,224,000,000.
"(C) New direct loan obligations, $28,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"Fiscal year 1986:
"(A) New budget authority, $37,849,000,000.
"(B) Outlays, $37,249,000,000.
"(C) New direct loan obligations, $28,000,000.
"(D) New loan guarantee commitments, $300,000,000.
"(12) Medical Insurance (570):
"Fiscal year 1983:
"(A) New budget authority, $46,100,000,000.
"(B) Outlays $53,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $61,400,000,000.
"(B) Outlays, $60,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $69,400,000,000.
"(B) Outlays, $68,300,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $79,100,000,000.
"(B) Outlays, $75,600,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(13) Income Security (600):
"Fiscal year 1983:
"(A) New budget authority, $121,700,000,000.
"(B) Outlays, $110,200,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $14,600,000,000.
"Fiscal year 1984:
"(A) New budget authority, $126,000,000,000.
"(B) Outlays, $104,100,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $14,700,000,000.
"Fiscal year 1985:
"(A) New budget authority, $127,500,000,000.
"(B) Outlays, $105,500,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $16,500,000,000.
"Fiscal year 1986:
"(A) New budget authority, $131,400,000,000.
"(B) Outlays, $108,600,000,000.
"(C) New direct loan obligations, $500,000,000.
"(D) New loan guarantee commitments, $18,100,000,000.
"(14) Social Security (650):
"Fiscal year 1983:
"(A) New budget authority, $184,100,000,000.
"(B) Outlays, $167,600,000,000.
"(C) New direct loans obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $174,900,000,000.
"(B) Outlays, $177,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $194,700,000,000.
"(B) Outlays, $188,400,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $211,000,000,000.
"(B) Outlays, $200,800,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(15) Veterans Benefits and Services (700):
"Fiscal year 1983:
"(A) New budget authority, $25,200,000,000.
"(B) Outlays, $24,500,000,000.
"(C) New direct loan obligations, $1,000,000,000.
"(D) New loan guarantee commitments, $8,000,000,000.
"Fiscal year 1984:
"(A) New budget authority, $25,700,000,000.
"(B) Outlays, $25,700,000,000.
"(C) New direct loan obligations, $800,000,000.
"(D) New loan guarantee commitments, $9,000,000,000.
"Fiscal year 1985:
"(A) New budget authority, $26,800,000,000.
"(B) Outlays, $26,400,000,000.
"(C) New direct loan obligations, $600,000,000.
"(D) New loan guarantee commitments, $10,500,000,000.
"Fiscal year 1986:
"(A) New budget authority, $27,300,000,000.
"(B) Outlays, $26,700,000,000.
"(C) New direct loan obligations, $700,000,000.
"(D) New loan guarantee commitments, $12,500,000,000.
"(16) Administration of Justice (750):
"Fiscal year 1983:
"(A) New budget authority, $5,200,000,000.
"(B) Outlays, $5,100,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1984:
"(A) New budget authority, $6,000,000,000.
"(B) Outlays, $6,000,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1985:
"(A) New budget authority, $5,800,000,000.
"(B) Outlays, $5,900,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"Fiscal year 1986:
"(A) New budget authority, $5,900,000,000.
"(B) Outlays, $5,800,000,000.
"(C) New direct loan obligations, $0.
"(D) New loan guarantee commitments, $0.
"(17) General Government (800):
"Fiscal year 1983:
"(A) New budget authority, $5,600,000,000.
"(B) Outlays, $5,700,000,000.
"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $5,700,000,000.

"(B) Outlays, $5,700,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $6,000,000,000.

"(B) Outlays, $5,800,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $6,200,000,000.

"(B) Outlays, $5,900,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(18) General Purpose Fiscal Assistance (850):

"Fiscal year 1983:

"(A) New budget authority, $6,400,000,000.

"(B) Outlays, $6,400,000,000.

"(C) New direct loan obligations, $300,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $7,100,000,000.

"(B) Outlays, $7,000,000,000.

"(C) New direct loan obligations, $300,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $7,200,000,000.

"(B) Outlays, $7,100,000,000.

"(C) New direct loan obligations, $300,000,000.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $7,500,000,000.

"(B) Outlays, $7,500,000,000.

"(C) New direct loan obligations, $300,000,000.

"(D) New loan guarantee commitments, $0.

"(19) Net Interest (900):

"Fiscal year 1983:

"(A) New budget authority, $87,600,000,000.

"(B) Outlays, $87,600,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $96,300,000,000.

"(B) Outlays, $96,300,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $105,500,000,000.

"(B) Outlays, $105,500,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $109,200,000,000.

"(B) Outlays, $109,200,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(20) Allowances (920):

"Fiscal year 1983:

"(A) New budget authority, $800,000,000.

"(B) Outlays, $900,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, $600,000,000.

"(B) Outlays, $600,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, $1,900,000,000.

"(B) Outlays, $2,000,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, $3,200,000,000.

"(B) Outlays, $3,400,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"(21) Undistributed Offsetting Receipts (950):

"Fiscal year 1983:

"(A) New budget authority, −$18,000,000,000.

"(B) Outlays, −$18,000,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1984:

"(A) New budget authority, −$21,400,000,000.

"(B) Outlays, −$21,400,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1985:

"(A) New budget authority, −$20,700,000,000.

"(B) Outlays, −$20,700,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"Fiscal year 1986:

"(A) New budget authority, −$23,500,000,000.

"(B) Outlays, −$23,500,000,000.

"(C) New direct loan obligations, $0.

"(D) New loan guarantee commitments, $0.

"RECONCILIATION

"SEC. 2. (a) Not later than June 6, 1983, the Senate committees named in subsections (b) through (f) of this section shall submit their recommendations to the Senate Committee on the Budget and not later than June 6, 1983, the House committees named in subsections (g) through (l) of this section shall submit their recommendations to the House Committee on the Budget. After receiving those recommendations, the Committees on the Budget shall report to the House and Senate a reconciliation bill or resolution or both carrying out all such recommendations without any substantive revision.

"SENATE COMMITTEES

"(b) The Senate Committee on Agriculture, Nutrition, and Forestry shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (c) any combination thereof, as follows: $1,243,000,000 in budget authority and $1,243,000,000 in outlays in fiscal year 1984; $1,332,000,000 in budget authority and $1,332,000,000 in outlays in fiscal year 1985; and $1,327,000,000 in budget authority and $1,327,000,000 in outlays in fiscal year 1986.

"(c)(1) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $856,000,000 in fiscal year 1984; to reduce outlays by $2,024,000,000 in fiscal year 1985; and to reduce outlays by $2,484,000,000 in fiscal year 1986.

"(2) The Senate Committee on Finance shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $8,900,000,000 in fiscal year 1984; $12,675,000,000 in fiscal year 1985; and $51,000,000,000 in fiscal year 1986.

"(d) The Senate Committee on Governmental Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $258,000,000 and outlays by $534,000,000 in fiscal year 1984; to reduce budget authority by $368,000,000 and outlays by $834,000,000 in fiscal year 1985; and to reduce budget authority by $636,000,000 and outlays by $1,486,000,000 in fiscal year 1986.

"(e) The Senate Committee on Small Business shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $139,000,000 in budget authority and $287,000,000 in outlays in fiscal year 1984; $555,000,000 in budget authority and $466,000,000 in outlays in fiscal year 1985; and $544,000,000 in budget authority and $443,000,000 in outlays in fiscal year 1986.

"(f) The Senate Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $202,000,000 and outlays by $201,000,000 in fiscal year 1984; to reduce budget authority by $117,000,000 and outlays by $115,000,00 in fiscal year 1985; and to reduce budget authority by $118,000,000 and outlays by $118,000,000 in fiscal year 1986.

"HOUSE COMMITTEES

"(g) The House Committee on Agriculture shall report changes in laws within the jurisdiction of that committee, (A) to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays, or (B) which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority and outlays, or (C) any combination thereof, as follows: $1,243,000,000 in budget authority and $1,243,000,000 in outlays in fiscal year 1984; $1,332,000,000 in budget authority and $1,332,000,000 in outlays in fiscal year 1985; and $1,327,000,000 in budget authority and $1,327,000,000 in outlays in fiscal year 1986.

"(h) The House Committee on Energy and Commerce shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $816,000,000 in fiscal year 1984; and to reduce outlays by $1,538,000,000 in fiscal year 1985; and to reduce outlays by $1,979,000,000 in fiscal year 1986.

"(i) The House Committee on Post Office and Civil Service shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $258,000,000 and outlays by $534,000,000 in fiscal year 1984; to reduce budget authority by $386,000,000 and outlays by $834,000,000 in fiscal year 1985; and to reduce budget authority by $636,000,000 and outlays by $1,486,000,000 in fiscal year 1986.

"(j) The House Committee on Small Business shall report changes in laws within the jurisdiction of that committee to require reductions in appropriations for programs authorized by that committee so as to achieve savings in budget authority and outlays as follows: $139,000,000 in budget authority and $287,000,000 in outlays in fiscal year 1984; $555,000,000 in budget authority and $466,000,000 in outlays in fiscal year 1985; and $544,000,000 in budget authority and $443,000,000 in outlays in fiscal year 1986.

"(k) The House Committee on Veterans' Affairs shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce budget authority by $202,000,000 and outlays by $201,000,000 in fiscal year 1984; to reduce budget authority by $117,000,000 and outlays by $115,000,000 in fiscal year 1985; and to reduce budget authority by $118,000,000 and outlays by $118,000,000 in fiscal year 1986.

"(l)(1) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee which provide spending authority as defined in section 401(c)(2)(C) of Public Law 93-344, sufficient to reduce outlays by $849,000,000 in fiscal year 1984; to reduce outlays by $1,481,000,000 in fiscal year 1985; and to reduce outlays by $2,077,000,000 in fiscal year 1986.

"(2) The House Committee on Ways and Means shall report changes in laws within the jurisdiction of that committee sufficient to increase revenues as follows: $8,900,000,000, in fiscal year 1984; $12,675,000,000 in fiscal year 1985; and $51,000,000,000 in fiscal year 1986.

"MISCELLANEOUS PROVISIONS

"SEC. 3. It shall not be in order in either the House of Representatives or the Senate to consider any bill or resolution, or amendment thereto, providing—

"(1) new budget authority for fiscal year 1984; or

"(2) new spending authority described in section 401(c)(2)(C) of the Budget Act first effective in fiscal year 1984,

within the jurisdiction of any of its committees unless and until such committee makes the allocations or subdivisions required by section 302(b) of the Budget Act, in connection with the most recently agreed to concurrent resolution on the budget.

"SEC. 4. It is the sense of the Congress that the President and the Congress, through the appropriations process, should limit the on-budget new direct loan obligations of the Federal Government to an amount not to exceed $37,600,000,000 in fiscal year 1983 and $29,300,000,000 in fiscal year 1984; off-budget new direct loan obligations to an amount not to exceed $17,800,000,000 in fiscal year 1983 and $18,900,000,000 in fiscal year 1984; and new loan guarantee commitments to an amount not to exceed $94,500,000,000 in fiscal year 1983 and $94,500,000,000 in fiscal year 1984. It is further the sense of the Congress that the President and the Congress should limit total Federal Financing Bank origination of direct loans guaranteed by other Federal agencies to $16,200,000,000 in fiscal year 1983 and $17,300,000,000 in fiscal year 1984, and Federal Financing Bank purchases of certificates of beneficial ownership from Federal agencies to $11,500,000,000 in fiscal year 1983 and $13,200,000,000 in fiscal year 1984. It is futher the sense of the Congress that direct borrowing transactions of Federal agencies should be, to the maximum extent possible, restricted to the Federal Financing Bank.

"SEC. 5. (a) The joint explanatory statement accompanying the conference report on this resolution shall include an estimated allocation, based upon the first section of this resolution as recommended in such conference report, of the appropriate levels of total new direct loan obligations and new loan guarantee commitments for fiscal year 1983 and fiscal year 1984, among each committee of the House of Representatives and the Senate which has jurisdiction over bills and resolutions providing such new obligations and commitments.

"(b) As soon as practicable after this resolution is agreed to, every committee of each House, after consulting with the committee or committees of the other House to which all or part of the allocation has been made, shall subdivide among its subcommittees the allocation of new direct loan obligations and new loan guarantee commitments for fiscal year 1983 and fiscal year 1984, allocated to it in the joint explanatory statement accompanying the conference report on this resolution.

"SEC. 6. It is the sense of the Congress that the budgets of Federal agencies initiating Federal Financing Bank purchases of certificates of beneficial ownership and originations of guaranteed loans should include the budget authority and outlays resulting from the transactions. The Congress recommends that the committees with jurisdiction over the Federal Financing Bank Act of 1973 consider expeditiously legislation to require that the budgetary impact of such Federal Financing Bank transactions be included in the budgets of the initiating agencies beginning with the fiscal year 1985 budget.".

EMERGENCY FARM CREDIT

BAUCUS AMENDMENT NO. 1263

(Ordered to lie on the table.)

Mr. BAUCUS submitted an amendment intended to be proposed by him to the bill (S. 24) to provide emergency credit to farmers, and for other purposes; as follows:

At the end of the bill, add the following new section:

FARM SUPPLY BUSINESS LOANS

SEC. 5. Effective for the period beginning with the date of the enactment of this Act and ending September 30, 1984, section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by adding at the end thereof the following new subsection:

"(f) Notwithstanding any other provision of law—

"(1) The Secretary shall make and insure loans under this subsection to small businesses which—

"(A) are located in rural areas;

"(B) are engaged in furnishing to farmers and ranchers machinery, supplies, and services directly related to the production of commodities diverted from production under payment-in-kind land diversion programs carried out by the Secretary; and

"(C) establish by substantial evidence that they are experiencing severe economic hardship directly attributable to the operation of such programs.

"(2) A loan shall be made or insured under this subsection for the purpose of assisting an eligible borrower to continue to operate the business of the borrower during the period of economic hardship described in paragraph (1)(C).

"(3) The principal amount of a loan made or insured under this subsection may not exceed $50,000.

"(4) The period of repayment of a loan made or insured under this subsection shall be twelve months.

"(5) The rate of interest on a loan made or insured under this subsection shall be the rate of interest applicable to an operating loan under section 316(a)(1), reduced by 3 per centum.

"(6) To the extent necessary to make or insure loans to eligible borrowers who have applied for assistance under this subsection, no less than 10 per centum of the funds appropriated under the heading "RURAL DEVELOPMENT INSURANCE FUND" in title II of the Act entitled "An Act making appropriations for Agriculture, Rural Development, and Related Agencies programs for the fiscal year ending September 30, 1983, and for other purposes", approved December 18, 1982 (96 Stat. 1799), for the purpose of guaranteeing industrial development loans, shall be made available to make or insure loans under this subsection.

"(7) No later than sixty days after the date of the enactment of the Emergency Agricultural Credit Act of 1983, the Secretary shall issue regulations to carry out this subsection.".

● Mr. BAUCUS. Mr. President, this amendment to the Emergency Agricultural Credit Act would allow small businesses affected by the payment-in-kind (PIK) program to apply for insured loans from the Farmers Home Administration.

The PIK program is a unique and creative approach to address the problems in the farm economy. We all hope that the program will help reduce surplus U.S. grain stocks and stimulate an increase in farm commodity prices. However, the overwhelming response by farmers to participate in the program may be bad news for the small businesses that support agriculture.

In Montana, over a third of the total wheat base acreage—2.3 million acres—have been taken out of production under the PIK program, the acreage reduction program and the paid diversion program. My concern is that this reduction in crop plantings is likely to have a negative impact on other segments of the agricultural economy—the main street businesses in rural America that supply products and services to family farmers.

The U.S. Department of Agriculture estimates seed purchases will decline 12 to 15 percent this year, fertilizer purchases will fall 12 to 14 percent and pesticide purchases will drop 12 to 15 percent.

Mr. President, my amendment would help soften the impact of these expected losses for farm supply businesses. The amendment would make businesses eligible to receive an operating loan from the Farmers Home Administration if they can show that they suffered severe financial hardship from the PIK program. The maximum amount of the loan would be $50,000 and the rate of interest would be the same as the operating loan rate under USDA's limited resource program. The Secretary of Agriculture would develop the guidelines for the loan program.

My amendment does not ask for any new money to be appropriated or authorized. It simply allows broader use of existing funds within the FmHA business and industry loan program.

I am sure those of you who have farmers participating in the PIK program have also heard from farm support businesses worried about the impact of the PIK program. I urge my colleagues to support this modest proposal.●

IMMIGRATION AND NATIONAL ACT REFORM

WILSON AMENDMENT NO. 1264

(Ordered to lie on the table.)

Mr. WILSON submitted an amendment intended to be proposed by him to the amendment No. 1220 proposed by Mr. DECONCINI to the bill S. 529, supra; as follows:

On page 1, after 14, insert the following:

(c) During the transition program described in subsection (b), and annually thereafter, the Secretary of Labor shall include in the annual reports provided under section 214(c)(4) specific findings, based upon consultations with the Secretary of Agriculture, on the impact of the certification requirements of sections 214(c)(2)(A) and 214(c)(3)(A) upon the ability of agricultural employers to produce perishable commodities, as defined by the Secretary of Agriculture. The Attorney General shall extend the transition program for the perishable commodities industry for a period not to exceed two years, if, based upon the Secretary of Labor's findings and the experience under the transition program, the Attorney General has reason to believe that the requirements for importing an alien as a section 101(a)(15)(H)(ii) nonimmigrant have had an adverse impact upon the ability of agricultural employers to produce perishable commodities, or upon the price or availability of such commodities to American consumers. The extension shall be implemented through a rulemaking procedure during the third year of the transition program, but no later than October 31 of that year, under such terms as are necessary to remedy such adverse impact.

Page 1, line 15, replace "(c)" with "(d)".

Page 1, line 18, replace "(d)" with "(e)".

Page 1, line 22, replace "(e)" with "(f)".

Page 1, line 3, replace "(f)" with "(g)".

Page 2, line 11, replace "(g)" with "(h)".

Page 2, line 16, replace "(h)" with new "(i)".

D'AMATO (AND HAWKINS) AMENDMENT NO. 1265

(Ordered to lie on the table.)

Mr. D'AMATO (for himself and Mrs. HAWKINS) submitted an amendment intended to be proposed by them to the bill, S. 529, supra, as follows:

SEC. 2. (a) The Attorney General shall reimburse a State for the costs incurred by such State for the imprisonment of any alien described in subsection (a) who is convicted of a felony by such State.

(b) An alien referred to in subsection (a) is any alien, as defined in section 101(a)(3) of the Immigration and Nationality Act, other than—

(1) an alien who was issued an immigrant visa or who otherwise acquired the status of an alien lawfully admitted for permanent residence, and who was subject to the numerical limitations contained in section 201(a) of the Immigration and Nationality Act (other than an alien accorded the status of a temporary or permanent resident under section 245A of such Act);

(2) an alien who is an immediate relative within the meaning of section 201(b) of such Act; and

(3) an alien who is a nonimmigrant within the meaning of subparagraph (A) or (G) of section 101(a)(15).

(c) There are authorized to be appropriated such sums as are necessary to carry out the purposes of this Act.

AGRICULTURAL INVESTMENT EQUITY AND MARKET EXPANSION ACT OF 1983

BOREN (AND OTHERS) AMENDMENT NO. 1266

(Ordered to lie on the table.

Mr. BOREN (for himself, Mr. BAUCUS, Mr. HUDDLESTON, Mr. EXON, Mr. JOHNSTON, Mr. MELCHER, and Mr. ZORINSKY), submitted the following amendment intended to be proposed by them to the bill (S. 822) to expand markets for United States agricultural commodities, expand authority for the use abroad of Commodity Credit Corporation stocks, require the export sale of Commodity Credit Corporation dairy products, improve programs under Public Law 480, and for other purposes; as follows:

On page 23, after line 15, insert the following new title:

"TITLE VI: EARLY ANNOUNCEMENT OF COMMODITY PROGRAMS

SEC. 601. Effective only for the 1984 and 1985 crops of wheat, feed grains, upland cotton, and rice, the Agricultural Act of 1949 is amended by inserting after section 107C (7 U.S.C. 1445b-2) the following new section:

"'EARLY ANNOUNCEMENT OF PROGRAMS

"'SEC. 107C. Notwithstanding any other provision of this Act, the Secretary shall announce the terms and conditions for each of the annual programs for the 1984 and 1985 crops of wheat, feed grains, upland cotton, and rice (including the applicable loan rate and established price, and the details of the acreage reduction program, if any) according to the following schedule:

"(1) For wheat, by June 15 of the calendar year preceding the calendar year in which the crop is harvested:

"'(2) For feed grains, by September 15 of the calendar year preceding the calendar year in which the crop is harvested;

"'(3) For upland cotton, by September 1 of the calandar year preceding the calendar year in which the crop is harvested;

"'(4) For rice, by November 30 of the calendar year in which the crop is harvested.'"

NOTICES OF HEARINGS

COMMITTEE ON SMALL BUSINESS

Mr. WEICKER. Mr. President, I would like to announce that the Senate Small Business Committee's markup on pending legislation dealing with the Small Business Administration's programs scheduled for May 12, 1983 at 9:30 a.m. in room 428A SR has been rescheduled for May 13, at 11 a.m. in room 428A SR. For further information, please contact Mike Haynes of the committee staff at 224-8487.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON INTERGOVERNMENTAL RELATIONS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Intergovernmental Relations, of the Committee on Governmental Affairs, be authorized to meet during the session of the Senate on Thursday, May 12, at 3:30 p.m., to hold a hearing to consider transferring the catalog of Federal Domestic Assistance from OMB to GSA.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FINANCE

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Thursday, May 12, to hold a markup on S. 544, CEI; S. 836, Enterprise Zones; and the 1984 Trade Agency authorization bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. BAKER. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Thursday, May 12, to hold a markup of S. 856, an Indian housing bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY

Mr. BAKER. Mr. President, I ask unanimous consent that the Committee on Agriculture, Nutrition, and Forestry be authorized to meet during the session of the Senate on Thursday, May 12, for the purpose of voting on the nomination of Daniel Amstutz to be Under Secretary for International Affairs and Commodity programs at USDA.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PATENTS, COPYRIGHTS, AND TRADEMARKS

Mr. BAKER. Mr. President, I ask unanimous consent that the Subcommittee on Patents, Copyrights, and Trademarks, of the Committee on the Judiciary, be authorized to meet during the session of the Senate on May 16, at 2 p.m., to hold an oversight hearing on patent term restoration.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

REGISTRATION AWARENESS MONTH

● Mr. CHILES. Mr. President, on May 3, Gov. Robert Graham of Florida signed a resolution designating May as Registration awareness Month for Floridians. Governor Graham, in the company of his cabinet, issued this proclamation to insure that men turning 18 in Florida would be aware of their legal requirement to register with the Selective Service System within 30 days of their 18th birthday. Noting that the registration program is an important signal to our allies of this country's defense commitment, and that it enhances our readiness posture in the event of a national emergency, Governor Graham affirmed his support of Selective Service registration. He urged all the young men in the State of Florida to express pride in their country and belief in its rights and freedoms by registering with the Selective Service

Present at the cabinet meeting while Governor Graham signed the resolution was Maj. Gen. Thomas K. Turnage, the Director of Selective Service, and Mr. Willie E. Jenkins, the Selective Service State Director of Florida. I ask that the resolution be printed in the RECORD.

The resolution follows:

RESOLUTION

Whereas, the continuation of the program for peacetime registration for the Selective Service System contributes to National readiness by reducing up to two months the time required for a full defense mobilization; and

Whereas, the registration program is an important signal to our allies and to our potential adversaries of the seriousness of the United States defense commitment at home and abroad; and

Whereas, over one million United States citizens have sacrificed their lives in military service to protect the rights and freedoms of all Americans and registration for Selective Service is an integral part of current preparedness to preserve these rights and freedoms in the future; and

Whereas, nearly 10 million men, representing 96 percent of potential registrants, have registered with the Selective Service System since the resumption of registration and by so registering have enhanced United States national defense preparedness; and

Whereas, the Selective Service System has been tasked with assisting in the process of improving our readiness posture by calling upon eighteen-year-old male citizens to identify themselves by simply registering their name, address, date of birth and social security number with that System by spending five minutes at the Post Office within thirty days of their eighteenth birthday; and

Whereas, there is no penalty for registering after the required time, but there is a severe penalty for failure to register,

Now, therefore, be it resolved that the Governor and Cabinet of the State of Florida do support continuation of registration with the Selective Service and hereby declare May 1983 as Registration Awareness month in Florida and urge all the young men in our State to express pride in their country and belief in its rights and freedoms by registering with the Selective Service System in accordance with the Military Selective Service Act.●

EMERGENCY PREPAREDNESS AT COMMERCIAL NUCLEAR POWERPLANTS

● Mr. SIMPSON. Mr. President, the New York Times, in an excellent editorial published on May 7, 1983, succinctly summarized many of the problems that we have been grappling with in hearings before the Subcommittee on Nuclear Regulation of the Committee on Environment and Public Works on the subject of emergency preparedness at commercial nuclear plants. Over the course of the next few days and weeks these and other issues related to emergency planning will be the subject of careful scrutiny by myself and others, in an effort to resolve the nettlesome questions related to Federal, State, and local responsibilities in this area. As I stated in hearings before the Subcommittee on Nuclear Regulation on April 15 of this year, Congress, in adopting a requirement for emergency planning at newly licensed commercial nuclear powerplants, certainly expected that State and local governments would be called upon to assist in the preparation and implementation of emergency plans, and, in most instances, that cooperation has been forthcoming.

It was certainly not this Senator's intent, however, nor do I think it was the intent of the other Senators and Congressmen involved in the drafting of Public Law 96-295, to confer upon State or local governments what amounts to a de facto authority to veto the operation of nuclear powerplants. If that is in reality where we are, with emergency planning as we know it today, then as the New York Times so forcefully states, "the devolution of power over nuclear power from the Federal to local level has gone too far."

Mr. President, I commend this editorial to my colleagues, and urge all of us to consider where we are and where we might wish to go on this issue. I ask that it be printed in the RECORD.

The editorial follows:

WHO SHOULD VETO NUCLEAR POWER?

Suddenly, there's a surprising threat to the two nuclear power plants at Indian Point, N.Y.—from the Nuclear Regulatory Commission. It says they must shut down unless a better emergency evacuation plan can be devised by June 9.

If that deadline is meant as a dramatic way to force a better plan, fine. But there's a larger problem implicit in the threat: It appears to give local authorities a veto over reactors by refusing to approve or cooperate in evacuation plans. If so, the devolution of power over nuclear power from the Federal to local level has gone too far.

In the wake of the 1979 accident at Three Mile Island, plant operators were told by the commission to draw up standby plans for emergency evacuations. What would happen if local authorities refused to cooperate? When the owners of the two plants at Indian Point twice failed to meet deadlines for producing workable plans, the commission allowed the reactors to continue operating.

Given the Administration's avowed support for the nuclear industry and its dislike of regulation, the deadlines seemed to be indefinitely elastic. But now the Nuclear Regulatory Commission has shown its teeth. It voted unanimously this week to close the plants unless improvements are made.

The decision will get attention at the 37 other nuclear plants now operating without approved plans, and particularly at the nearly completed plant at Shoreham, owned by the Long Island Lighting Company. Peter Cohalan, the Suffolk County Executive, believes that no evacuation plan is feasible and that the $3.2 billion plant must be abandoned.

Should such immense investments be forsaken because of inadequacies in a theoretical plan designed to meet an improbable threat? In New York, the commission's decision gives Governor Cuomo a leading role. Mr. Cuomo has said he would not impose an independently devised plan on Suffolk County. He is appointing a fact-finding panel on Shoreham, and has also asked for a report on the issues at Indian Point.

The commission's June 9 deadline seems designed to focus attention on the costs of a shutdown and help Mr. Cuomo off the fence. Under his leadership, if he chooses to exert it, the utilities will improve safety or planning enough to assuage local concerns and allow the plants to operate.

Neither Indian Point, 35 miles north of Times Square, nor Long Island appear today as the best places to situate nuclear reactors. But since the plants have already been built, the presumption should be that they may operate provided they can do so safely.

Emergency evacuation plans are a welcome regulatory afterthought to nuclear safety, but cannot yet be defined so precisely that they should be imposed as an abso-

lute goal. Yes, government at all levels should work to create the most practical evacuation plans possible. Yes, local authorities should have a strong voice in nuclear affairs. But no, they should not be handed a veto.●

PROPOSED ARMS SALES

● Mr. PERCY. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive prior notification of proposed arms sales under that act in excess of $50 million or, in the case of major defense equipment as defined in the act, those in excess of $14 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with the committee's intention to see that such information is available to the full Senate, I ask to have printed in the RECORD at this point the notifications which have been received. The classified annexes referred to in several of the covering letters are available to Senators in the office of the Foreign Relations Committee, room SD 427.

The material follows:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 4, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Re in reply refer to: I-01117/83ct.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-32 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Army's proposed Letter of Offer to Egypt for defense articles and services estimated to cost $27 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF, director.

[Transmittal No. 83-32]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Egypt.

(ii) Total estimated Value in millions:

Major defense equipment [1]	$24
Other	3
Total	27

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: A quantity of 39,492 rounds of 105mm tank ammunition consisting of 18,177 rounds of M735 APFSDS-T and 21,315 rounds of M456 HEAT-T.

(iv) Military Department: Army (UEN and UEP).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 31 December 1982.

(viii) Date Report Delivered to Congress: May 4, 1983.

POLICY JUSTIFICATION

EGYPT—AMMUNITION

The Government of Egypt has requested the purchase of a quantity of 39,492 rounds of 105mm tank ammunition consisting of 18,177 rounds of M735 APFSDS-T and 21,315 rounds of M456 HEAT-T at an estimated cost of $27 million.

This sale will contribute to the foreign policy objectives of the United States by helping to improve the security of a friendly country, thereby increasing the stability of the Middle East region as a whole. U.S.-Egyptian cooperation remains critically important to the pursuit of a comprehensive peace in the Middle East. Egypt has also been a key supporter of U.S. efforts to enhance the security of moderate states in the Middle East and Southwest Asia regions.

The purchase of this ammunition supports equipment already purchased by the Egyptians. They have previously purchased this type of ammunition, thus they have the ability to absorb the additional materiel.

The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be Martin Marietta, operators of the Milan Army Ammunition Plant, Milan, Tennessee.

Implementation of this sale will not require the assignment of any additional U.S. Government or contractor personnel to Egypt.

This sale will require diversion from Army stocks and will have minimal impact on Army readiness during the period in which the stocks are being replenished.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., May 9, 1983.

Hon. CHARLES H. PERCY,
Chairman, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

Re in reply refer to: I-00832/83ct.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 83-33 and under separate cover the classified annex thereto. This Transmittal concerns the Department of the Navy's proposed Letter of Offer to Pakistan for defense articles and services estimated to cost $38 million. Shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

PHILIP C. GAST,
Lieutenant General, USAF, Director.

[Transmittal No. 83-33]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective Purchaser: Pakistan.

(ii) Total estimated value in millions:

Major defense equipment [1]	$22
Other	16
Total	38

[1] As defined in Section 47(6) of the Arms Export Control Act.

(iii) Description of Articles or Services Offered: Four MK 15 MOD 1 single-gun VULCAN-PHALANX Close-In Weapon Systems with ammunition, spares, repair parts, and training.

(iv) Military Department: Navy (LAI, ABF, and TAW).

(v) Sales Commission, Fee, etc., Paid, Offered, or Agreed to be Paid: None.

(vi) Sensitivity of Technology Contained in the Defense Articles or Defense Services Proposed to be Sold: See Annex under separate cover.

(vii) Section 28 Report: Included in report for quarter ending 31 December 1982.

(viii) Date Report Delivered to Congress: May 9, 1983.

POLICY JUSTIFICATION

PAKISTAN—VULCAN-PHALANX CLOSE-IN WEAPON SYSTEMS

The Government of Pakistan has requested the purchase of four MK 15 MOD 1 single-gun VULCAN-PHALANX Close-In Weapon Systems with ammunition, spares, repair parts, and training at an estimated cost of $38 million.

This sale will contribute to the foreign policy objectives of the United States by enabling Pakistan to increase its capability to provide for its own security and defense. Pakistan plays an increasingly greater role as a stabilizing force in the Indian Ocean region. It is strategically important in the defense of sea lines of communication in the Arabian Sea and approaches to the Persian Gulf.

These VULCAN-PHALANX systems will be used as defensive weapons in the ongoing modernization of existing ships of the Pakistan Navy. The sale of this equipment and support will not affect the basic military balance in the region.

The prime contractor will be the General Dynamics Corporation of Pomona, California.

Implementation of this sale will require the assignment of three additional U.S. Government personnel to Pakistan for 15 weeks.

There will be no adverse impact on U.S. defense readiness as a result of this sale.●

THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS—A STATUS REPORT ON ITS RECOMMENDATIONS

● Mr. NUNN. Mr. President, this week is Small Business Week, 1983. It is a time that we have taken annually to recognize the contributions that small business makes to our economic and social environment, and to encourage the entrepeneur to continue to actively participate in the free enterprise system.

Since I came to the Senate in 1973, I have had the privilege of serving on the Senate Small Business Committee; and since 1981 I have been its ranking Democratic member. In my view, the Senate Small Business Committee functions best as an advocate within the Senate for the interests and concerns of the 14 million businesses in this Nation that we consider small business.

This is not an easy task, for as we look at the characteristics of the small

business community, we see a very different composition if we look at Boston's Route 128 hi-tech corridor, or Georgia's small manufacturers and farmers, or the west coast timber industry.

We know that the small business community is not a monolithic entity by any means, and at times it has been difficult to assess the impact of particular Federal policies and programs on them.

But over time, I believe that we on the Small Business Committee, far better than most, have been able to reach out to that community and, under their guidance, develop a series of policies and programs that have made the business of being a small business a little easier.

Mr. President, most of our legislative efforts in the past were the products of a consensus among legislators about the most pressing problems facing small business. While we had the background developed through the hearing process, both in Washington and in the field, there was frequently a question raised about "what did small business really want."

In 1978, under the leadership of the former chairman of the Senate Small Business Committee, the distinguished Senator from Wisconsin, Gaylord Nelson, the committee reported a resolution to the Senate, which was adopted, requesting the President to convene a national White House Conference on Small Business. To his credit, President Carter heeded Senator Nelson's recommendation, and approved the request.

That action set in motion the mechanism for over 55 State and regional meetings in 1978 and 1979. With the imprimatur of the White House as a backdrop, and with the commitment of the Congress, the White House and the Small Business Administration, over 45,000 small business men and women owners, their advocates and supporters, met in State capitols around this Nation to discuss the critical issues facing small business, to identify those Federal actions and inactions which had the most far-reaching impact on their ability to be a small business, and to propose ideas that, in their view, would improve the relationship between the Federal Government and the small business community so as to foster their continued growth and development.

Those State and regional meetings culminated in the convening of the first White House Conference on Small Business, in Washington, in January 1980. During that 4-day national assembly, over 1,600 elected delegates, representing all 50 States, the District, and Puerto Rico, refined the issues that had been developed through the State and regional forums, and developed their own agenda of issues, and solutions, to the problems they perceived as having the greatest impact on their business lives.

When the Conference concluded, the delegates had voted on a series of 60 recommendations, 5 in each of 12 major topical areas.

Following the Conference, the White House Conference Commissioners, who had the day-to-day management responsibility for the Conference under the chairmanship of Arthur Levitt, Jr., president of the American Stock Exchange, prepared the report of the delegates, and submitted the text of the 60 recommendations to the President and the Congress.

Both the House and Senate leaderships established task forces, composed of key committee and subcommittee chairmen, to take responsibility for analyzing those 60 recommendations, and moving expeditiously on putting into legislation as many as possible. There was a flurry of activity in the early months after the White House Conference, and a number of significant recommendations were signed into law. But, Mr. President, while the fanfare may have subsided, the legislative and administrative efforts to see that 1980 agenda fully implemented has not ceased. Nor has the enthusiasm waned in the small business community to have their agenda enacted.

Over the past 2 years, as I meet with small business groups from around the country, I am repeatedly asked the question of the status of the White House Conference agenda. To my surprise, and disappointment, it appeared that there was no previous comprehensive effort to bring up-to-date the scorecard of accomplishments from that milestone White House Conference on Small Business.

Mr. President, for the benefit of my colleagues in the Congress, the men and women who participated in that 1980 conference, and those who are advocates for small business both within and outside of Government, I am honored to be able to provide that report today, and will include in my statement a detailed analysis of the 60 recommendations.

This analysis was prepared, almost singlehandedly, by Alan Chvotkin, my chief counsel on the Small Business Committee. Alan has served me in that capacity since January 1981. Prior to that time, he served as majority legal counsel to the committee under Senator Nelson. He was intimately involved in the development of the White House conference and served as its senior counsel during the conference.

Additional research was provided by Miss Amy Cantor who was an intern with the Small Business Committee last year, and Mary T. Bates, the staff assistant to the minority. Terri also deserves most of the credit for the production of this report.

As with any analysis, this one is, to a degree, subjective. Judgments had to be made as to the appropriate legislative coverage of certain recommendations that had only a general statement. Where there are multiple parts to one recommendation, each is dealt with separately, to the extent possible. The analysis is, to the best of our ability, nonpartisan, and accurate through the end of the 97th Congress; that is December 1982.

If there is a bias in this analysis, it would be that, to the extent recommendations have not been enacted into law, greater attention is focused on the interim efforts of the Senate rather than the House. It is an area we are more familiar with, but should not be interpreted as a lack of action by the House. I would welcome a careful review of this analysis, and comments for improvement or corrections.

Mr. President, based on this review, 38 of the 60 recommendations adopted in 1980 have been adopted in whole or significant part. In fact, since at least five of the recommendations Nos. 6, 23, 26, 30, and 37) are virtually duplicative, it is fair to state that 38 of 56 recommendations have been put into place. Furthermore, since the delegates ranked 15 recommendations as among their top priority, 11 of those 15 have been substantially complied with.

For example, in the area of economic policy and Government programs, all five recommendations have been adopted. In the areas of energy, Government regulations and paperwork, women in business, procurement, and international trade, four of the five recommendations in each of these areas have been substantially adopted legislatively or administratively. In the critical area of capital formation, three of the five recommendations have been enacted into law.

Mr. President, I would like to insert at this point in the RECORD a brief chart which recaps the progress made in implementing the 60 White House conference recommendations.

Summary of White House conference recommendations

Conference topic area:	*Completed* [1]
(a) Capital formation	3
(b) Minority business enterprise	2
(c) Innovation and technology	3
(d) Inflation	2
(e) Veterans	1
(f) Procurement	4
(g) Energy	4
(h) Women in business	4
(i) Government regulation and paperwork	4
(j) Economic policy and Government programs	5
(k) International trade	4

(1) Education	2
Total number of recommendations implemented of 60 [2]	38

[1] Number of recommendations completed of five proposed.

[2] Five recommendations appear duplicative (6, 23, 26, 30, and 37).

At the risk of being optimistic, in my review of the unfinished agenda, I believe it is possible for another 10 recommendations to be put into place within this coming year.

Mr. President, in addition to these recommendations, it should be clear that the small business community has not stopped at these recommendations in their efforts to improve the environment for small business. Nor has the Congress. For example, the Congress initiated the so-called Prompt Payments Act which requires the Government to pay its bills within a fixed period or pay interest on the outstanding balance. We approved a two-tiered fee structure for smaller businesses who file patent applications to protect their inventions. Last year, at Congress insistence, the Securities and Exchange Commission held its first annual Forum on Small Business Capital Formation, during which an additional 37 recommendations for legislative and administrative action in this critical area of access to capital were developed.

The significant progress that has been made to date, and the growth in the small business community's participation in the development of policies and programs to aid in their development, leads me to strongly recommend that the President reconvene another White House Conference on Small Business. This should be another nonpartisan conference, with the delegates chosen through a legitimate selection process. The agenda, and issues, should be of their choosing. I remember concerns were expressed by some of the Washington "pros" that the first Conference should not pass what they thought best for small business, but what some perceived as that which could be enacted. Fortunately, the delegates chose the former course, and Congress and the executive branch paid attention and took action. The next conference should take a similar approach.

Another White House conference would serve to rejuvenate the efforts to complete the first conference agenda, assess the progress made by the small business community as a whole, and develop another plan for action.

I will be joining with many of my colleagues in a letter to the President on this suggestion.

Mr. President, I ask that the complete analysis of the 60 recommendations of the 1980 White House Conference on Small Business be printed in full at this point in the RECORD.

The analysis follows:

THE WHITE HOUSE CONFERENCE ON SMALL BUSINESS

CAPITAL FORMATION AND RETENTION

Recommendations No. 1

At the White House Conference on Small Business, the delegate's primary concern was with the problems of finding and retaining capital. This is always difficult, especially for smaller companies. Inflation and expensive credit have made it increasingly difficult both to find outside capital and to preserve capital through retained earnings. In the ideal situation, a small business would have a variety of financing alternatives readily available to meet different needs at different times in its economic life cycle. Start-up capital usually comes from the entrepreneur's savings or from friends and relatives. Later, a young company may need venture capital from investors, Small Business Investment Companies, and similar institutions. Eventually, the company can sell shares through a public offering in order to raise equity capital.

On the debt side, commercial banks and finance companies provide short-term loans to finance inventories and accounts receivable and intermediate-term loans to buy equipment. Banks and savings and loan companies provide long-term debt money mostly by taking mortgages. Life insurance companies rarely lend to small businesses. Federal tax policy is the single most important instrument for encouraging or discouraging the flow of capital to small businesses. Taxes both on business income and on capital gains influence where investors choose to place this money.

"Replace the present corporate and individual income tax schedules with more graduated rate scales specifying the graduation corporate tax scale up to $500,000."

This recommendation was substantially enacted in the Economic Recovery Tax Act of 1981 (Public Law 97-34) in the following manner.

Cumulative reductions were made in individual income tax rates of 1¼ percent in 1981, 10 percent in 1982, 19 percent in 1983 and 23 percent in 1984. The top marginal rate for individuals was reduced from 70 to 50 percent on January 1, 1982, and the maximum tax rate on long-term capital gains was reduced to 20 percent for sales or exchanges after June 9, 1981.

In addition, the Economic Recovery Tax Act reduced the rate on corporate taxes. Under the law existing prior to the enactment of Public Law 97-34, the corporate rates were:

Corporate rate reduction taxable income	Rate (percent)
Under $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46

Specific provisions in ERTA reduced the corporate tax rate on taxable incomes below $50,000 to:

Taxable income	Rate (percent)
In 1982:	
less than $25,000	16
$25,000 to $50,000	19
In 1983 and later years:	
less than $25,000	15
$25,000 to $50,000	18

Furthermore, although no action was taken on it during the 97th Congress, section 111 of S. 360, the Omnibus Small Business Capital Formation Act of 1981 (introduced by Senators Weicker, Nunn and 22 others on February 3, 1981), portions of which were included in the Economic Recovery Tax Act, would have increased the number of corporate tax brackets from five to seven, and would have further reduced the pre-ERTA marginal tax rates, particularly for small businesses, as follows:

Taxable income	Tax rate
Pre-ERTA law:	
$0 to $25,000	17
$25,000 to $50,000	20
$50,000 to $75,000	30
$75,000 to $100,000	40
Over $100,000	46
S. 360:	
$0 to $25,000	15
$25,000 to $50,000	17
$50,000 to $75,000	25
$75,000 to $100,000	30
$100,000 to $150,000	35
$150,000 to $200,000	40
Over $200,000	44

The revised rate schedule would allow smaller companies to put more of their profits back into their businesses for necessary improvements and expansion.

Recommendation No. 2

"Adopt a simplified accelerated capital cost recovery system to replace the present complex Asset Depreciation Range (ADR) regulations with provisions such as (A) immediately expensing capital costs less than a specified amount (B) immediately expensing government mandated capital costs, and (C) the creation of a maximum annual annual benefit that may be derived from the system."

This recommendation was substantially enacted in the Economic Recovery Tax Act (P.L. 97-34). The Asset Depreciation Range (ADR) provisions of prior law were designed to allocate depreciation deductions from gross income over the period the asset would be used in business, the so-called "useful-life", so that deductions for the cost of an asset were matched with the income likely to be produced by that asset.

In the Economic Recovery Tax Act, ADR was replaced by the Accelerated Cost Recovery System (ACRS). Under ACRS, the cost of an asset would be recovered over a pre-determined period, generally shorter than the useful life of the asset or the period the asset is used to produce income.

The Act provides that the cost of eligible personal (and certain real) property is recovered over 3, 5, 10 of 15 years, depending on the classification of the property. In addition, under the Act taxpayers have the option to use the straight-line method of depreciation, a prescribed accelerated recovery period, or an optional recovery period. Under the Tax Equity Act (P.L. 97-248) the faster recovery percentages scheduled to become effective in 1985 and 1986 have been eliminated. In addition, if property is financed in part by an industrial development bond, ACRS deductions are slowed.

With respect to that part of the recommendation for direct expensing certain capital costs, previously a deduction was provid-

ed for "bonus" first-year depreciation up to 20 percent of up to $10,000 of eligible property. ERTA repeals the "bonus" depreciation provisions and replaces it with an election to expense the cost of new or used personal property used in a trade or business. The maximum annual amount a person can expense is $5,000 for 1982 and 1983, $7,500 for 1984 and 1985, and $10,000 for years after 1985. No investment tax credit is allowed for expensed property, however. For a further discussion of a research and development tax credit, see recommendation 11.

No action has been taken regarding parts C of this recommendation.

Recommendation No. 3

"Revise estate tax laws to ease the tax burden on family-owned businesses and encourage the continuity of family ownership."

Previously, it was difficult for heirs to maintain family ownership of businesses. In order to pay the estate taxes, families were frequently left with no choice except to liquidate the business. Some larger firms bought the more growth-oriented businesses, which resulted in greater concentration rather than greater competition. Revisions to the estate and gift tax laws that have been included in the Economic Recovery Tax Act make it easier for survivors to retain a family business.

For example, under the Economic Recovery Tax Act (Public Law 97-34):

1. Estate and gift taxes are unified under the Act so that a simple, progressive rate schedule is applied to cumulative gifts and bequests.

Estate and gift tax rates range from 18 percent for the first $10,000 in taxable transfers to 70 percent on transfers exceeding $5 million. Under the Act, for decedents who died in 1982, the unified credit is set as $47,000, so that there would be no estate or gift tax liability on estates up to $175,625. In addition, the law provides for an increase in the unified credit in steps through 1987, so that the equivalent amount of transfers on which no estate or gift tax need be paid increases to $600,000. Furthermore, the maximum estate and gift tax rate is reduced by 5 percentage points each year over a four year period beginning in 1982 from 70 to 50 percent.

2. Marital deductions.—ERTA eliminates the previous quantitative limits on both the gift and estate tax marital deductions so that it is possible for one spouse to transfer an unlimited amount of property tax-free to the other spouse. Transfers of community property and of certain terminable interests also qualify for the marital deduction. With respect to property held in joint tenancy by spouses with right of survivorship, only half of the property is included in the estate of the first to die. A transition rule continues for marital deduction clauses in wills executed before 30 days after the date of enactment and not subsequently amended to specifically indicate an intent to adopt an unlimited marital deduction.

3. Gifts made within three years of death.—Several sections of the prior law are combined into one provision which permits the deferred payment of estate taxes if interests in closely held businesses exceed 35 percent of adjusted gross estate. The new law also permits redemption of stock in a closely held business to pay estate taxes, funeral expenses and administration expenses, and provides that the remaining unpaid tax balance won't be accelerated upon the death of the decedent's heir or a subsequent transferee, provided that the interests in that closely held business are passed to a member of the heir's family.

4. Annual gift tax exclusion.—The annual gift tax exclusion is increased from the prior law level of $3,000 to $10,000 per donee. An unlimited gift tax exclusion is provided for amounts paid directly to the service provider for the benefit of the donee of medical expenses and school tuition. A transition rule allows present law to continue to apply to existing trusts which contain provisions referring to the maximum annual exclusion amount.

5. Annual filing of gift tax returns.—The filing of the gift tax return is required only on an annual basis rather than quarterly.

6. Generation-skipping transfer tax.—Trusts created by wills or revocable trusts in existence on June 11, 1976 are exempt from tax-generation trusts if (1) they were not amended after that date to create or increase the amount of a generation-skipping transfer, and (2) the testator or trust grantor died before January 1, 1983.

Recommendation No. 4

"Provide for a tax credit for initial investment in a small business, and permit deferral of taxes for roll-overs of investments affecting small businesses."

Section 101 of S. 360, the "Omnibus Small Business Capital Formation Act of 1981", provides for a 10% tax credit (up to $4,000 per person) for investment in the stock of small and medium sized corporations. Section 104 of that bill permits sellers of small business stock to sell their interest for cash and defer any capital gains tax they may owe as a result of the sale provided they reinvest the proceeds from the sale in another small business within 18 months of the date of sale. In the House, H.R. 4242 has many provisions similar to those found in S. 360.

One hearing was held in the Senate Finance Committee on this proposal.

However, no legislative action has been taken to provide a direct tax credit for initial investments in a small business. Congress did pass the "Subchapter S Revision Act of 1982" which, among other things, increased the number of permitted shareholders from 25 to 35.

For a further discussion of related issues, see other recommendations dealing with capital formation.

With respect to a deferral of taxes for "roll-overs" of investments affecting small business, several bills have been introduced in both the House and Senate. No action has been taken on these generic proposals. In October, 1982, the Senate Finance Committee reported enterprise zone legislation which would provide for the establishment of 25 enterprise zones in each of three fiscal years. Among the tax incentives included in the bill are:

The existing investment tax credit of 10 percent would be increased to 20 percent;

The capital gains tax on the sale of certain property within a zone would be eliminated; and

A jobs tax credit would be provided for employment in the zone: 10 percent for wages paid to zone residents, and 50 percent for disadvantaged workers.

Recommendation No. 5

"Provide tax incentives in the form of a new security called a Small Business Participating Debenture (SBPD) to provide a source of capital for small businesses."

Small Business Participating Debentures are seen as a way to raise capital for small business without the entrepreneurs sacrificing a substantial portion of their equity. Although proposals take several forms, they generally provide that the SBPD will have a fixed rate of interest, be redeemable at a predetermined price on a future date certain and involve no ownership interest. The share of earnings would be taxed to the investor as a long-term capital gain, but deductible by the issuing company as an expense. The SBPD is designed to combine the benefits of equity and debt financing that is acceptable to both the small business and investment community.

Section 102 of S. 360 would provide the legislative authority for such a security. In the House, two bills have been introduced (H.R. 4015, H.R. 5078) which, although somewhat different in their provisions, would also provide the needed authority.

However, no legislative action has been taken on any of these proposals.

MINORITY BUSINESS DEVELOPMENT

Recommendation No. 6

It has become increasingly difficult for minorities to start and operate small businesses.

Minority businesses are often concentrated in low-growth and low-margin industries such as retail trade, services, and non-industrial construction. These entrepreneurs are often "handicapped" by inadequate capital, limited opportunities to buy businesses, insufficient management training, disjointed and diffused government assistance programs, and difficulty in marketing outside minority communities. Federal efforts to help minority enterprise center around financial aid and procurement opportunities. The SBA does have specific programs to aid minority owned businesses. However, the delegates were concerned with obtaining additional assistance. The recommendations offered in this area focus heavily on mandating specific percentage goals for federal monies and opportunities to go to small, minority, and women-owned businesses.

Public Law 95-507 was signed by the President on October 24, 1978. Before 1978, various executive orders were the basis for the Federal government's support for minority businesses. For 1977, the Public Works Employment Act of 1977 was passed by Congress, and required that at least 10 percent of Federal funds granted for local public works projects must be used to procure supplies from minority owned businesses. The constitutionality of this provision was questioned many times, and in 1980, the Supreme Court ruled that Congress did have the constitutional power to enact the 10 percent set-aside provisions. The passage of Public Law 95-507, which amended section 8(a) of the Small Business Act, now allows the SBA to enter into contracts with other government agencies, and to subcontract to small businesses owned by socially and economically disadvantaged people for services and supplies necessary to perform the contracts.

Public Law 95-507 also amended the Small Business Act to require that in the case of contracts over $1,000,000 for the construction of any public facility, or $500,000 for any other contract, the successful offeror must negotiate a plan that provides the "maximum practicable opportunity" for small business subcontracting.

"The President, by Executive Order, and Congress, by legislation, shall establish mandatory goals for all Federal procurements and Federal funds or grants to States, localities, and public and private institutions, on a contract-by-contract or agency-wide basis for small businesses (35

percent); minority-owned (Black-Hispanic, Native American, Asian Pacific American, and other racial minorities) businesses (15 percent); and women in business (10 percent)."

For a detailed review of this item, see recommendation 37 in particular. Recommendations 23, 26, and 30 are similar.

Recommendation No. 7

"The President shall direct the Office of Management and Budget (OMB) to establish, as part of the budget process, a formal reporting and goal-setting system, requiring all departments and agencies to specify and separately make public the resources they plan to make available to small business, minority-owned (Black, Hispanic, Native American, Asian Pacific American, and other racial minorities) businesses, and women in business. The departments and agencies shall also be mandated to publicly report the levels of attainment of these goals."

No specific action has been taken on this recommendation. Although agency budget justifications will frequently identify program goals and resource allocations there is no single reporting or goal-setting system for all resources.

Public Law 95-507 does require that each agency which has procurement authority must set goals for the utilization of small business in their procurement activities. For a further discussion of this issue, see recommendation 37.

In addition Public Law 97-219, the Small Business Innovation Development Act, requires that each Federal agency that has a research and development budget in excess of $20 million in any fiscal year shall establish goals for funding agreements for R&D to small business concerns, and no goal established shall be less than the percentage of the agency's R&D budget spent with small business in the preceding fiscal year. For a further discussion of this issue, see recommendation 11.

Recommendation No. 8

"Congress and the Executive Branch shall ensure the effective implementation and enforcement of Public Law 95-507 by adopting the following changes/recommendations: (1) requiring the law or implementing regulations to provide that the prime contractor set forth a narrative description of the subcontract or subcontract item; and (2) giving the Associate Administration for Minority Business, within the SBA, the clear authority to enforce and monitor compliance with Public Law 95-507."

No action has been taken to implement part one of this recommendation. Provisions were made for part two in Public Law 96-481.

Section 104 of Public Law 96-481 states that the SBA Associate Administrator for Minority Small Business and Capital Ownership Development (AAMSB-COD) shall manage all services and activities authorized under Section 7(j) and 8(a) of the Small Business Act.

Section 105 of that law states that all determinations of eligibility for the 8(a) program made with respect to whether a group has been subjected to prejudice or bias (i.e. whether there is the qualification for "social" disadvantage as required by the Small Business Act) shall be made by the SBA Administrator after consultation with the AAMSB-COD. All other determinations required for program eligibility shall be made by the AAMSB-COD under the supervision of, and responsible to, the Administrator.

NOTE.—Under Public Law 96-481, the AAMSB-COD only has the authority to enforce the provisions of Public Law 95-507 dealing with minority business development programs. He does not have the authority over the other general procurement provisions of Public Law 95-507. Of course, the Administrator of the Small Business Administration does have the overall management responsibility for the agency's implementation of procurement programs under the agency's jurisdiction.

Recommendation No. 9

"Congress shall (1) adopt an SBIC and MESBIC Investment Tax Credit Act to provide a 50 percent tax credit for corporations and individuals who invest in any issue of equity securities of SBICs and licensed MESBICs; and (2) authorize MESBICs to borrow long-term loans from the Federal Financing Bank at subsidized interest rates."

No action has been taken on this recommendation. Part of the impetus for part two of this recommendation is to insure an adequate and cost-effective source of financing for MESBICs. The House has passed legislation (H.R. 6086) which would, among other things, increase the authorization for SBA participation in MESBICs from its current statutory ceiling of $35 million to $41 million. Similar increases have also been passed by the House of Representatives as an amendment to a Senate-approved bill (S. 1947) relating to improving the small business procurement community's use of the Commerce Business Daily. Similar legislation (S. 2408) has been favorably reported by the Senate Small Business Committee. Both bills would also increase the present ceiling on guarantees of debentures issued by SBICs. Current law authorizes $160 million. The House bill would increase that level to $250 million; the Senate bill raises the ceiling to $225 million.

Recommendation No. 10

"The President, by Executive Order, or Congress by legislation, shall establish a National Minority Economic Commission to provide a centralized focus to the Federal effort to assist minority business enterprise. This commission, a majority of which shall consist of non-government contractors, shall report directly to the President."

Public Law 95-507 statutorily established the Presidential Advisory Committee on Small and Minority Business Ownership (PAC-SMBO).

On February 1, 1980, by Executive Order 12190, President Carter created the Committee, implementing the statutory requirements. The purpose of the PAC-SMBO is to assist in monitoring and encouraging the placement of subcontracts by the private sector with eligible small business, particularly with small minority business. Also, the Committee is to study and propose the incentives and assistance needed by the private sector to help in the training, development, and upgrading of such businesses. The Committee, through its Chairman, reports annually and makes recommendations to the President and to the Congress on its activities during the previous year. Executive Order 12259 (Dec. 31, 1980) extended the life of the Committee to December 31, 1982.

By statute, the membership of the Presidential Advisory Committee is to be composed of five "high level officials" from five U.S. businesses, and five representatives of minority small businesses.

INNOVATION AND TECHNOLOGY

Recommendation No. 11

The U.S. is the world leader in science, engineering, and technology, but its leadership has been waning in recent years, especially as other nations have developed government policies to foster innovation.

Innovation is essential to improving productivity in every sector of the economy, to developing new industries, and to strengthening the U.S. balance of trade. Technology is also a key to revitalizing inner cities.

The government has embarked on a major overhaul of federal laws and practices to spur innovation. The options studied by the delegates concentrated largely on problems of finding capital, and were in many instances identical to proposals discussed in the Conference workshops on Capital Formation and Retention. The delegates were also concerned about streamlining the Patent Office, retaining rights to inventions made under federal research grants, and making the distribution of federal R&D funds more equitable and subject to fewer delays.

"Support and urge passage of S. 1860, the Small Business Innovation Act of 1979, and companion bill H.R. 5607, as presently drafted with flexibility for minor future amendments covering: small business research and development set-asides; small business innovation and research programs (as already encompassed by H.R. 5126 and S. 1074), patents (as already encompassed by S. 414 and S. 1679), capital formation and retention, amendments to the Internal Revenue Code, and regulatory flexibility."

The first two elements of this recommendation have been met through the enactment of Public Law 97-219, the Small Business Innovation Development Act of 1982. This legislation is similar to the substance of the specific legislative proposals which were pending in the Congress during January, 1980 when the Conference met.

The Small Business Innovation Development Act creates a national policy for greater utilization of federal research and development as a base for technological innovation while meeting particular agency needs.

The Act is intended to encourage participation of small science and high-technology firms in government research and also provides incentives for the conversion of research results into technological innovation and commercial applications. Follow-on private funding from venture capital and industrial firms will help pursue potential commercial applications of government R&D efforts.

Federal agencies which have a research and development budget of more than $100 million for outside work are required to establish Small Business Innovation Research (SBIR) programs. Through these programs, a percentage of the R&D budget will be set-aside for funding agreements with small business. Small businesses will compete among themselves for awards under these programs.

Funding for the SBIR programs in civilian agencies will be phased in over a four-year period, and over a five-year period for the Department of Defense.

Estimated amount of R&D funds to be set aside for fiscal year 1983-87 under SBIR programs

Fiscal year:	*Millions*
1983	$50
1984	150
1985	265
1986	405
1987	465

Patents

With respect to that portion of the recommendation dealing with patents, this element has been met through the enactment of Public Law 95-517, the "Patent and Trademark Amendments of 1980". With limited exceptions, this Act gives small businesses and non-profit organizations a first right of refusal to title in inventions they have made in the performance of Government grants and contracts. The Act takes precedence over approximately 26 different statutory and administrative provisions governing title in inventions. This law is similar in substance to the specific legislative proposals which were pending in the Congress during January, 1980 when the Conference met.

Beyond the specific recommendation of the delegates, legislation has been enacted (Public Law 97-247, the Patent and Trademark Office authorization) to statutorily establish certain fees to be charged by the Commissioner for patents and patent applications. However, this legislation also states that appropriated funds shall be used to reduce by half the fees which small businesses and certain others would otherwise be required to pay under the legislation.

Capital Formation

This recommendation is not specific on the delegate's suggestions on appropriate capital formation and retention action, or amendments to the Internal Revenue Code. For a discussion of specific delegate recommendation, see the section relating to capital formation and retention.

However, the Economic Recovery Tax Act (Public Law 97-34) does provide a 25 percent tax credit for certain research and experimental expenditures paid in carrying on a trade or business, but only to the extent that current year expenditures exceed an established "base period". This credit is scheduled to expire in 1985. There will be proposals to make the credit permanent.

Regulatory Flexibility

This recommendation is not specific on the delegates' suggestions on appropriate actions for regulatory flexibility. For a discussion of the specific regulatory recommendations, see items 41, 43 and 45.

Recommendation No. 12

"Existing Federal research and development procurement, assistance and tax laws and policies must be modified and new laws enacted to: (1) eliminate unfair advantages enjoyed by governmental agencies, nonprofit organization and educational institutions which compete with innovative small business in providing goods and services; (2) mandate statutority a national policy of reliance on small businesses; (3) prevent the Federal government from dissemination of proprietary information: (4) prevent the Federal government through the use of its own personnel, including Federal Research Centers, from competing with small business."

Part one of this recommendation is not specific on the delegate's suggestions for appropriate action to eliminate unfair advantages which may provide a competitive edge to certain institutions which compete with small business. For a number of significant actions which already have been taken to assist the innovative small business community, see the discussion under recommendation 11.

With respect to part two of this recommendation, legislation has been introduced in both the Senate (S.J. Res. 93 and S. 2278) and the House (H.J. Res. 294) to affirmatively state in law the general policy of the government of the U.S. to rely on competitive private enterprise to supply the products and services it needs whenever competitive industry prices are available. This policy shall be administered by the Director, Office of Management and Budget in coordination with the Administrator, Office of Federal Procurement Policy.

Although hearings have been held on this legislation, and the issue of contracting out generally, no legislative action has been taken on these specific proposals.

Federal departments and agencies operate under broad policy guidelines to examine their activities to determine which can be handed over to the private sector. OMB Circular A-76 outlines a method by which agencies can establish whether it is "more efficient and effective for the Government" to contract out for certain services and products or to perform the activity in-house. According to A-76, there are major cost advantages of contracting out such as cost-effectiveness, flexibility and the ability to increase technology transfers. However, despite the obvious advantages mentioned, A-76 states that purely "governmental functions" be performed in-house. The key issue, however, is determining what are "purely governmental functions". The loose wording of the present circular leaves the phrase open to interpretations which allows agencies to justify the activities performed by federal employees. The Office of Management and Budget is presently (November, 1982) revising OMB Circular A-76.

However, the fiscal year 1983 Department of Defense Authorization Act (S. 2248, Public Law 97-252) does contain several provisions prohibiting the contracting out of certain activities. Under the law, Congress imposed a six month (until April, 1983) limitation on any Defense Department cost-benefits analyses of contracting out commercial and industrial functions to the private sector, except for certain enumerated areas. In addition, the law prohibits the Department from entering into any new contract in fiscal year 1983 for performing firefighting or security guard functions:

Regarding Part 3 of this recommendation, sections 8 and 9 and S. 1730, the "Freedom of Information Reform Act", introduced by Senator HATCH, provides for the protection of "trade secrets and commercial research, or financial information, or other commercially valuable information obtained from any person and privileged or confidential where release may impair the legitimate private, competitive, financial, research, or business interests of any person or where release may impair the government's ability to obtain such information in the future".

This strong language was modified when the bill was considered by the Senate Judiciary Committee. As modified by the Committee, the legislation would limit public access to certain government files without creating an opportunity for excessive governmental secrecy. Specifically, the Judiciary Committee bill would require an agency to notify a business when anyone requests information on a business when that information is provided to the Government. Additional protections are provided to businesses to challenge, at both an agency level or in court, an agency's decision to release the information on the firm. The Senate Judiciary Committee reported this bill to the full Senate, but no action was taken on it.

Part four of this recommendation is similar in policy guidance to part two of this same recommendation.

For a more thorough discussion of the provisions on limitations on "contracting out", see recommendation No. 26.

Recommendation No. 13

"Increase the amount of Federal research and development prime contracts awarded through small business set-asides by one percent per year of each agency's research and development budget, until the dollar value of the set-asides reaches at least ten percent of that agency's total annual research and development budget."

It has been estimated that, for fiscal year 1982, total Federal research and development funds available to the agencies will total over $40 billion. A recent study by the Federal Government's Office of Federal Procurement Policy found that only 3.5 percent of the total Federal R&D funds are made available to small business. However, under prior Federal law, only the National Science Foundation has specific statutory authority to "set-aside" a portion of its budget for R&D prime contracts for small business. The Department of Defense did voluntarily establish a program similar to the NSF program in 1981.

In addition, the Small Business Innovation Development Act (Public Law 97-219) imposes an additional mandatory program on Federal agencies in an effort to increase small business participation in Federal R&D contracts. Under that law, at least nine Federal agencies (with an extramural R&D budget in excess of $100 million) are required to set-aside a fixed, pre-determined portion of their extramural R&D Budget for funding agreements with small business. The bill will phase-in the set-aside program over four years (five for the Department of Defense) to a maximum rate of 1.25 percent of the agency's budget. It is estimated that as much as $1.3 billion could be made available for small business awards over the next five years.

In addition, the Act requires Federal agencies with R&D budgets in excess of $20 million to establish goals for small business funding which shall not be less than the amount spent with small business in the preceding fiscal year.

For a further discussion, see recommendation No. 11.

Recommendation No. 14

"Clarify the 'prudent man rule' to broaden it and insure that securities of small issuers are not excluded from those securities eligible for purchase by funds subject to ERISA and exempt those securities from planned asset regulation issued by the Department of Labor."

The adoption of the Employee Retirement Income Security Act of 1974 ("ERISA") has had a significant impact upon the investment of private pension assets in small business. Employee plan asset managers, who were uncertain about their responsibilities under ERISA's prudent person rule, adopted an extremely conservative investment strategy following passage of the Act. Small business access to pension funds was reduced as plans invested more heavily in blue chip securities.

In January 1977, the Small Business Administration Task Force on Venture and Equity Capital for Small Business expressed its concern that ERISA's fiduciary standards had isolated $200 billion in pension assets from all but blue chip and fixed income securities. The Task Force suggested

an amendment to the ERISA prudent person rule to clarify its application to the total portfolio of pension fund in vestments rather than to individual investments.

The Department of Labor published, effective July 23, 1979, a final rule interpreting the investment duties of a fiduciary under the prudent person rule. The regulation adopted the total portfolio approach to evaluating investments and expressly permitted investments in small business under certain circumstances:

". . . [T]he prudence of an investment decision should not be judged without regard to the role that the proposed investment or investment course of action plays within the overall plan portfolio. Thus, although securities issued by a small or new company may be a riskier investment than securities issued by a 'blue chip' company, the investment in the former company may be entirely proper under the Act's 'prudence' rule."

Although issuance of the prudence regulation represented an important development in reopening small business access to pension funds, a number of difficulties have remained. The Department of Labor has not defined the parameters of prudence with respect to investment in small business. The Department is also in the process of drafting a definition of the term "plan assets" to repropose for comment. The design of that regulation could have a serious impact on the degree to which pension funds may be a viable source for venture pools that invest in small business.

In August 1979, approximately one month following the effective date of the revised prudence regulations, the Department of Labor proposed a definition of the term "plan assets" under ERISA. Under the Department's proposal, there would have been a "look-through" of the interest held in a venture capital pool by an employee plan so that pool assets would have been deemed to be plan assets under ERISA.

On February 27-28, 1980, the Department of Labor held hearings in Washington on the plan asset regulation. The Department of Labor, on June 6, 1980, proposed for comment a revised definition of the term "plan assets." The proposed revision provides that if certain conditions are met, an investment in a venture capital pool by a plan would not be considered to be a delegation of investment management authority and the venture pool assets would not be considered to be plan assets.

The Department has not yet adopted the revised plan assets definition as it applies to venture capital firms.

Although legislation was introduced in 1977 and 1978 to revise and clarify the prudent person rule, it was not adopted. No proposals progressed in the 97th Congress that would legislatively address this recommendation.

In 1982, however, the Department of Labor issued ERISA regulations that provided class-wide exemptions from the prohibited transaction provisions for investments in certain residential mortgage investments and mortgage pools. However, these exemptions have apparently not opened up pension plans as expected.

Legislation has been introduced in the Senate (S. 2918) and the House (H.R. 6781) that, although not identical, would both eliminate legal and regulatory barriers against pension funds investing in residential mortgages.

Recommendation No. 15

"Institute specialized capital gains treatment for generative capital invested in technology based firms starting with 25 percent in the first year, decreasing by 5 percent per year to zero after five years, further, defer taxation on such gains whenever the proceeds from sale of investments is reinvested into a small business within the next twelve months."

The special capital gains treatment has not been proposed per se. However, Senators Long, Roth, Bentsen and Wallop introduced S. 899, which would have increased the capital gains deduction from 60 to 80 percent for funds invested in a small business. Under S. 889, a minimum level of employee stock ownership would have been required, as well as a minimum level of R&D expenditures. As for the rollover of capital gains for funds invested in small business is concerned, such a proposal was contained in S. 360. Senator Bentsen also sponsored similar legislation. These measures have failed to gain approval.

INFLATION

Recommendation No. 16

The delegates in the Inflation workshops mainly concentrated on measures that would benefit the nation as a whole. These involved restricting growth in the money supply to the same rate as increases in national productivity; reforms in minimum wage standards and the Social Security System; revision in Civil Service employment practices; and as many as seven different approaches to balancing the federal budget.

Recommendation No. 16

"Balance the Federal Budget by statute in Fiscal Year 1981 by limiting total Federal spending to a percentage of the GNP, commencing with 20 percent and declining to 15 Percent."

Both Houses of Congress have frequently debated various forms of balanced budget proposals. These proposals have been offered as Constitutional amendments, regular bills, and incorporated into Congressional budget resolutions. In fact, at least three provisions in law now require a balanced budget. For example, one provision incorporated into Public Law 95-435, The International Monetary Fund supplemental financing authority (October 10, 1978) states that, beginning with fiscal year 1981, the "total budget outlays of the Federal government shall not exceed its receipts". Additional provisions have been adopted in sections of Public Law 95-523, (Oct. 27, 1978, the "Full Employment and Balanced Growth Act of 1978", the so-called Humphrey-Hawkins bill), and Public Law 96-58 (April 2, 1979) a bill to temporarily increase the Federal debt limit. However, despite the statutory provisions mandating a balanced budget, the Federal budget has been in balance only once in the past 21 years.

On August 4, 1982, the Senate approved S.J. Res. 58, a joint resolution proposing a Constitutional Amendment requiring a balanced Federal budget except during times of war, or if 3/5 of each House of Congress vote specifically to "unbalance" the budget. This proposed Constitutional amendment provides that, for purposes of determining the "receipts" to the Federal government, total estimated receipts shall generally not increase by a rate of increase "greater than the rate of increase in national income".

However, on October 1, 1982, the House of Representatives failed to secure the necessary two-thirds majority to pass a Constitutional amendment (H.R. Res. 350). Furthermore, federal spending as a percentage of GNP was 22.5 percent in 1981. In 1982, the percentage was 23.5 percent.

Recommendation No. 17

"Reform the Social Security System by including, where constitutionally possible, all public and private sector employees as contributors and more closely tie benefits to contributions to move the system toward actuarial soundness. Limit benefits to the original old-age and survivors benefits. Freeze the tax base and tax rate at the January, 1980 level. Eliminate double dipping."

At this juncture, none of these recommendations have been acted on. The Greenspan Social Security Commission made its recommendations to help improve the Social Security System at the end of 1982. It is anticipated that the Commission may recommend that the retirement age be increased, scheduled payroll tax increases be moved up, and the coverage extended to some degree to government workers. Apparently, no efforts are being made to completely overhaul the system itself.

Recommendation No. 18

"Revise minimum wage standards by freezing standards at January, 1980 levels and establishing a two-tier minimum wage by exempting teenagers, seasonal workers and part-time workers."

With respect to that portion of the recommendations to freeze the minimum wage at 1980 levels, no action has been taken.

With respect to that portion of the recommendation to establish a two-tiered minimum wage for teens and other workers, several bills have been introduced in Congress, but no further legislative action has been taken. Hearings were held in the Senate Labor and Human Resources Committee in March 1981, on a sub-minimum wage for youth.

Recommendation No. 19

Repeal the Davis-Bacon Act

The Davis-Bacon Act of 1931 requires that, on all construction contracts in excess of $2,000 paid for in whole or in part with Federal funds, wages paid to workers must be equal to, or in excess of, the "prevailing" wages in the community in which the Federal construction is to be performed.

No final legislative action has been taken on this recommendation, although several amendments have been proposed to raise the dollar threshhold, or to exclude certain types of construction activity from the application of that Act.

Recommendation No. 20

"Provide greater incentives for savings and investment by eliminating income tax on investments and interest income up to $10,000."

Under Public Law 97-34, the Economic Recovery Tax Act (ERTA), the number of permitted shareholders while still retaining eligibility to be treated as a Subchapter S corporation was increased from 15 to 25. On October 19, 1982 the President signed the Congressionally-passed "Subchapter S Revision Act", Public Law 97-354. Among other things, the law increased the number of permitted shareholders from 25 to 35.

In addition, the Tax Equity Act (Public Law 97-248) eliminates distinctions in prior law between qualified pension and profit-sharing plans of regular corporations, and those of self-employed individuals and Subchapter S corporations. In particular, the Tax Equity Act creates a new distinction between pension plans that favor owners and

key employees ("top-heavy plans") and others.

Several legislative proposals have been introduced in the 97th Congress to further increase tax exemption of interest and dividend income.

Partial Dividend and Interest Exclusion

ERTA reinstates the $100 dividend exclusion of prior law for 1982 and subsequent years; however, the $100 per taxpayer limitation for the reinstated dividend exclusion is replaced by a limitation of $100 per separate return and $200 per joint return. Effective in 1985, ERTA provides for a 15 percent net interest exclusion on up to $3,000 of net interest. For those who itemize deductions, the interest is eligible for the percentage exclusion only to the extent it exceeds the taxpayers "qualified" interest expense.

Under the Tax Equity Act (Public Law 97-248), for amounts paid or credited after June 30, 1983, withholding of a flat 10 percent will be required on payments of interest and of dividends out of earnings and profits. Withholding is not required where the payments of interest total less than $150 on an annualized basis.

Tax Exempt Savings Certificates

ERTA provides a tax exemption for an aggregate of $1,000 for interest received on a qualified savings certificate (the "all savers" certificates issued between October 1, 1981 and December 31, 1982). Interest, other than from a certificate, will not be eligible for exclusion after 1982 and the dividend exclusion will be limited to $100.

Individual Retirement Accounts

Under ERTA, benefits under a qualified individual retirement plan are taxed only when paid to the employee or a beneficiary and are not taxed if merely made available. Under ERTA, amounts invested in "collectibles" under an IRA or a self-directed account in a qualified plan will be treated as distributions for income tax purposes, however.

Under ERTA, the proceeds of a redeemed U.S. retirement bond which is distributed under a qualified bond purchase plan may be rolled over, tax free, to an IRA. Bonds purchased for an employee may be redeemed only after the employee attains age 59½, dies, or becomes disabled. ERTA provides that a divorced spouse is allowed a deduction for contributions to a spousal IRA established by the individual's former spouse at least five years before the divorce if the former spouse contributed to the IRA under the spousal IRA rules for at least 3 of the 5 years preceding the divorce.

Self-Employed Retirement Savings (Keogh Plans)

The deduction limit for employer contribution is increased from $7,500 to $15,000. The 15 percent limit on contributions remains unchanged. The compensation taken into account in determining permitted annual benefit accruals is increased from $50,000-$100,000. Under ERTA, the compensation taken into account in determining permitted annual benefit accruals for Keogh or Subchapter S corporations is similarly increased from $100,000 to $200,000. ERTA also permits early withdrawals from a terminated Keogh plan by an owner-employee without regard to the 5-year ban on Keogh plan contributions for the owner employee.

In view of the efforts to eliminate the distinction between self-employed and corporate plans with regard to contributions and benefits effective in 1984, the Tax Equity Act repeals the $15,000 and the 15 percent limitations on deductions of contributions. The $200,000 limitation on compensation that may be taken into account under a self-employment plan is also repealed.

Employee Stock Ownership Plans (ESOPs)

ERTA terminated (after 1982) the previous investment-based tax credit for ESOP contributions and replaces it with a payroll-based tax credit which is allowed for wages paid in 1983-87. For 1983-84, the credit is limited to .5 percent of compensation paid to employees under the plan and to .75 percent of such compensation for 1985, 1986, and 1987.

VETERANS IN BUSINESS

Recommendation No. 21

The Small Business Act amendments of 1975 (Public Law 93-237) requires the SBA to give "special consideration" to veterans. It was felt, however, that few attempts have been made to help veterans start and own small businesses. The delegates emphasized that disabled veterans have the greatest need for assistance, followed by Vietnam veterans in general. They were also concerned about receiving more procurement contracts and including disabled and Vietnam Veterans in all rules and legislation that pertain to "socially and economically disadvantaged" groups.

Recommendation No. 21

"The President shall issue an Executive Order providing for the full and effective implementation of the provisions of the Small Business Act providing for 'special consideration' for veterans (Part 116, Subpart A of title 87, U.S. Code, Public Law 93-237); to assist in carrying out the veterans 'special consideration' provisions. Such executive order shall establish within the SBA an internal Veterans' Business Committee, the majority of whose members shall be veterans and whose purpose shall be to advise and assist the SBA in the development and implementation of programs and the formulation of policies necessary and appropriate to carry out the veterans 'special consideration' provisions of the Small Business Act and regulations pertaining thereto.

"Such Executive Order shall require all appropriate agencies and departments of the Federal Government which engage in business assistance activities, such as procurement authority to provide 'special consideration' to veterans in order to significantly improve the quality of assistance to veterans and to provide support to veteran-owned businesses."

No Executive Order has been issued.

Public Law 93-237, effective Jan. 2, 1974 provided "special considerations" for veterans in all Small Business Administration programs.

By regulation SBA's definition of "special considerations" includes:

1. In-depth management assistance conseling on first interviews;

2. Emphasizing to SBA personnel designated as Veterans Affairs Officers the need for close cooperation with the local V.A. offices and organizations having direct interest in veterans affairs;

3. Directing SBA procurement personnel designated as Veterans Procurement Affairs Advisors to emphasize how veterans can obtain procurement contracts from the Government;

4. Local media campaigns to inform the veterans about SBA's ability and desire to help;

5. Special workshops and training;

6. Prompt processing of loan applications of any type;

7. Particular attention to giving maximum loan maturity to veterans;

8. Loans would not be declined solely because of the lack of collateral provided the Veteran, dependent, or survivor will provide any worthwhile collateral;

9. On all direct loans, placing a liberal interpretation on present deferment policy;

10. In the awarding of 8(a) contracts, veterans' status may be a contributing factor in establishing eligibility as socially and economically disadvantaged; and

11. In all district offices there shall be one or more loan specialist designated as veterans loan officers.

However, these provisions were either not fully implemented or were ineffective. The purpose of this recommendation is to implement and make effective the provisions in Public Law 93-237.

In May, 1982, SBA announced that it was taking additional action. The agency announced that SBA will establish within the Office of the Chief Counsel for Advocacy, a Veterans Business Enterprise Office to work as an advocate on behalf of veterans.

In addition, new regulations will be issued to clarify and assure that veterans are provided "special consideration" within programs. Agency officials will review their programs and activities and propose any required regulations within 60 days.

The agency will also develop programs in management assistance and business training for veterans, and insure that veterans affairs officers will be appointed in each SBA regional and district office to give assistance to veterans.

On November 3, 1981, Public Law 97-72, the "Veterans' Health Care, Training and Small Business Loan Act of 1981" was enacted. Under the law, the Administrator of the Veterans' Administration is authorized to establish a program of small business loans and loan guarantees for certain service-connected disabled, and Vietnam-era veterans to enable these veterans to acquire, start, or expand a small business. Twenty-five million dollars was authorized for this program.

In the President's statement on signing this legislation, he noted that, "because this program might duplicate a similar program in the Small Business Administration and would involve the Veterans Administration in an area in which it has no expertise, I intend to weigh carefully any efforts to fund this program."

An amendment was offered in the House to the Veterans Administration's fiscal year 1883 appropriations act to fund this program at $25 million. The amendment was withdrawn after its sponsor (Congressman Daschle) received assurances that funds would be made available for a veterans direct loan program through the Small Business Administration. A $25 million direct loan program for veterans was provided to SBA for fiscal year 1983 as part of the omnibus Continuing Resolution (Public Law 97-377).

Recommendation No. 22

"The President should establish an Interagency Committee on veterans in business. Not more than one-third of such committee shall be nonveterans."

No action has been taken on this recommendation.

Recommendation No. 23

Fifteen percent of all Federal procurement contracts and 15 percent of all SBA

Direct and Guaranteed Loan Program Funds shall be set aside for veterans applicants. The SBA shall be responsible for utilizing the Procurement Automatic Selection System (PASS) and other Federal procurement source listing to implement veteran's set-asides.

This recommendation proposed two set-asides for veterans. With respect to the recommendation that 15 percent of all Federal procurement contracts be set aside, see the discussion for recommendation 37. Recommendations 6, 26 and 30 are similar.

With respect to the recommendation that 15 percent of all SBA direct and guaranteed loans be set aside, see the discussion for recommendation 21. According to information provided by the Small Business Administration, direct loans and loan guarantees to veterans were:

[In millions of dollars]

	Direct	Guaranteed
1980	23.7	370.6
1981	24.8	501.8
1982	16.7	NA

In fiscal year 1983, Congress provided $25 million in the Continuing Resolution solely to be used by SBA for direct loans to veterans. In the first quarter of 1983, SBA indicated that $2.1 million in direct loans were made to veterans. No figures were available for guaranteed loans.

The SBA PASS system is a voluntary service offered by SBA to any small business interested in taking advantage of it. To the extent veteran-owned businesses provided the agency with the information requested, PASS can be utilized by other agencies in identifying procurement opportunities for qualified veteran-owned small businesses.

Recommendation No. 24

"All legislation or regulations affording special treatment for women, minorities, the socially and economically disadvantaged or other special groups, should be amended to also provide priority for qualified veterans, including disabled veterans. Qualified veteran status alone shall entitle the veteran to equal treatment and inclusion in any such category or class."

No legislative action has been taken on this recommendation. For a discussion of similar issues, see recommendation 21.

Recommendation No. 25

"SBA regulations shall include all disabled and/or Vietnam veterans in their definition of 'socially and economically disadvantaged.' "

No action has been taken on this recommendation.

FEDERAL PROCUREMENT

Recommendations No. 26

According to the Small Business Act of 1953, small businesses are supposed to receive a "fair proportion" of contracts from the Government. Since then, the share of federal procurements to small businesses has fluctuated. It is felt that the small businesses do not receive enough procurements. The proposals made by the delegates are aimed at improving the Federal procurement system generally and increasing the number and dollar value of contracts allotted to small businesses.

The Federal Government is one of the nation's largest purchasers of goods and services. In fiscal year 1981, its procurement budget was estimated to be $110 billion, and included items ranging from routine office supplies to massive defense weapons systems. Small business is an active participant in every phase of Federal procurement. In fiscal year 1980, small firms were awarded Federal prime contracts of $21.5 billion, approximately 24 percent of the total contracts awarded to business firms. In addition, for fiscal year 1981, it is estimated that small businesses were subcontractors to "other than small business" on $11.2 billion in Department of Defense contracts, and $2.6 billion in civilian awards.

However, the preliminary estimates of small business participation in total Federal contracting shows a decline in the percentage of dollar awards over the past several years.

Recommendation No. 26

"The Federal Government shall be required by statute to contract out to small business those supplies and services that the private sector can provide. The government should not compete with the private sector by accomplishing these efforts with its own or non-profit personnel and facilities. Small business generally—50 percent which shall include the following: minority-owned businesses 15 percent; businesses owned by women 10 percent."

Competition with private industries by government agencies has been a source of increasing concern over the past few years. According to General Accounting Office (GAO) estimates, federal employees currently perform 11,000 commercial or industrial activities that could be done by private firms. These activities cost taxpayers nearly $19 billion last year. Consequently, private firms are finding themselves increasingly competing not only with each other, but with the government as well—at taxpayers' expense.

A 1979 Small Business Administration (SBA) Task Force Report estimated that federal in-house activities in 1977 numbered 21,130, at an annual operation cost of nearly $10 billion. According to this study, the best estimate was that at least $2 billion annually might flow directly to small business if that $10 billion were contracted out in approximately the same proportion as other activities previously being contracted out. The Task Force also estimated the potential average annual savings to the taxpayer at $2.98 billion.

The current federal procurement policy on contracting out was first set forth in 1955, when the Eisenhower Administration issued a directive that the government should not provide services that put it in competition with private industry.

That policy was reaffirmed during the Johnson Administration by Circular A-76, issued by the Bureau of the Budget, predecessor of the Office of Management and Budget (OMB) (the Circular is now referred to as OMB Circular A-76).

Circular A-76 reiterated the government's general policy of reliance of the private enterprise system to supply its needs. It established the rule that goods and services were to be acquired from the private sector whenever feasible; the exception was to undertake activities "in-house" using federal employees.

Circular A-76 established new criteria for continuing or terminating in-house activity. It further provided that a government commercial or industrial activity may be authorized to provide goods or services only under certain conditions.

Legislation has been introduced in the Senate (S.J. Res. 93) and the House (H.J. 294) that would reaffirm and codify in statute the policy principles of the OMB Circular A-76. Several hearings have been held on these proposals and on the issue of "contracting out". No action has been taken on those proposals.

However, over the past few years, OMB Circular A-76's policy of reliance on the private sector effectively has been undercut administratively and legislatively. Circumvention of this policy has been achieved through loose agency constructions of what is or is not a "governmental functions". Under OMB Circular A-76, purely "governmental function" are to be performed in-house. This exception to reliance on the private sector has provided agencies with "justification" for many of the activities performed by federal employees, despite the Administration's support for A-76 and its full implementation. Recently, several legislative provisions have been adopted to restrict or inhibit the government's reliance on the private sector. For example, the Department of Defense Authorization bill fiscal year 1983 (Public Law 97-252) places a six month moratorium (until April 1, 1983) of the use of funds to undertake the cost-benefit studies to determine whether certain functions could be completed more economically in the private sector. The bill also prohibits for one year any contracting out of firefighting or security guard functions at a military installation.

On September 29, 1982 the House passed the Uniform Services Pay Act (H.R. 7166). The bill sets six criteria for barring activities from being contracted out to civilians. The Defense Department may bar contracting out for an activity which:

Must be performed by military personnel because they are in a direct combat support role, or subject to deployment;

Must be performed by military personnel because it is essential for training in skills exclusively military in nature;

Must be performed by military personnel because it is needed to provide work assignments for a rotation base for overseas or sea duty assignments;

Is necessary to ensure readiness requirements, or necessary to ensure that combat-support units are self-sufficient;

Is deemed to adversely affect national defense; or

Is essential to safety or security on installations.

The bill requires that, in the analysis of any cost comparison, the cost to the Government of undertaking the cost comparison process shall be attributable among the costs of performance by private contractors. Similar legislation was reported to the Senate by the Senate Armed Services Committee (S. 2936). No final action was taken on these bills during the 97th Congress.

Furthermore, Congress has provided other statutory exceptions to the general policy enunciated in OMB Circular A-76. For example:

The Veteran's Compensation, Education and Employment Amendments of 1982 (Public Law 97-306) prohibits the Veterans' Administration from contracting out to the private sector for patient care or activities incident to patient care. In addition, the law prohibits contracting out to the private sector unless at least 15 percent savings in the cost of performance over a five year period would be achieved, using costs to the Veterans' Administration for in-house performance, and charging all costs for undertaking the cost-comparison study of con-

tract performance as part of the contractor's cost.

The fiscal year 1983 Treasury Postal Service Appropriations Act (Public Law 97-369) prohibits the General Services Administration from contracting out custodial and other building-related custodial and security services to the private sector.

For a discussion of that portion of the recommendation concerning minimum percentages, see recommendation 37 in particular. Recommendations 6, 12, 23 and 30 are similar.

Recommendation No. 27

"Procurement agencies should break down large requirements (including those for research and development) into smaller parts where feasible to permit solicitation from, and award to, small businesses."

"Break out" can occur in two primary ways in the Federal procurement process. Under a "component" break out, a contracting agency will endeavor to procure a portion of a larger systems acquisition used in the manufacture, modification or repair of an end item directly under prime contracts (as opposed to subcontractors to a single prime contractor). "Spare parts" break out occurs when a replacement part from a concern other than the original manufacturer of that part.

In 1969, the Department of Defense established a "High Dollar Spare Parts Breakout Program" to determine the best approach to providing spare parts for its equipment from other than the original manufacturer. In addition, in late 1979 the Small Business Administration initiated a pilot program to increase small business awards by adding "breakout" procurement center representatives at three Air Force Air Logistics Centers. According to a recent GAO report (PLRD 82-104, Aug. 2, 1982), SBA's efforts are making a contribution toward breaking out parts for competition, but opportunities exist to improve the effectiveness, and the number of activities, subject to "breakout".

However, all of the DoD activities are undertaken administratively. There is legislation pending in the Senate (S. 2446) that, in part, would amend the Small Business Act to establish a government-wide policy in support of component breakout. While hearings were held on this legislation in the Senate Small Business Committee on September 16, 1982, no further action has been taken on this bill.

Recommendation No. 28

"The Federal Government should contract out supplies and services to private industry (particularly small minority business) and should not compete with the private sector either through the use of its own personnel or through non-profit organization such as the Federal Research Centers, educational institutions or other non-profit entities."

This recommendation is similar to recommendation 26. For a discussion of this issue, see recommendation 26.

Recommendation No. 29

"The Office of Federal Procurement Policy should develop a new set of procurement regulations applicable to procurements under a special amount from all businesses. This 'second-tier' regulation should eliminate clauses, procedures, reporting requirements etc., applicable to large systems procurements which are currently imposed on small businesses, as well; and to the extent possible, apply to subcontracts with small businesses."

Present law already requires that all procurements under $10,000 shall be reserved exclusively for small business unless the contracting officer is unable to obtain offers from two or more responsible small business concerns. In addition, both the Department of Defense and the civilian agency's procurement regulations provide a "small purchase" procedure for the acquisition from commercial sources of supplies, non-personal services or construction. For civilian agencies, that threshold is $10,000.

In addition, Public Law 97-86, the "Department of Defense Authorization Act of 1982" (December 1, 1981) permanently increased the Department of Defense threshold for the utilization of the small purchase procedures from $10,000 to $25,000. That Act also (a) increased from the threshhold for certain required certifications under the "Truth in Negotiations Act" from its prior limit of $100,000 to $500,000 and (b) increased $100,000 to $5 million the threshold below which the Service Secretaries have the power to authorize negotiations of contracts for experimental, development or research work, or for making or furnishing property for experiment, test, development or research.

In Section 222 of Public Law 95-507 (Oct. 24, 1978) Congress statutorily directed the Office of Federal Procurement Policy to promulgate a single, simplified Federal procurement regulation. In addition, in Public Law 96-83 (Oct. 10, 1979) Congress extended the sunset date on the Office of Federal Procurement Policy, and directed that office to develop a uniform, comprehensive Federal procurement system. On February 17, 1982, in compliance with their legislative mandate, OFPP submitted its "Proposal For a Uniform Federal Procurement System" to both the House and Senate. Although hearings have been held in both Houses, no further legislative action has been taken as of October 1982.

On March 17, 1982, President Reagan issued an Executive Order (No. 12352), titled "Federal Procurement Reforms" to direct agencies to make their procurement efforts more effective. The President directed procurement agencies to:

1. Establish programs to eliminate unnecessary regulations paperwork;
2. Strengthen their review of internal procurement programs and resources;
3. Establish criteria to improve the effectiveness of procurement systems.
4. Establish criteria to enhance competition.
5. Establish programs to simplify small purchases and minimize paperwork burdens.
6. Establish administrative procedures to ensure that contractors receive timely payment.
7. Establish clear lines of contracting authority and accountability.
8. Establish career management programs.
9. Designate a Procurement Executive with full responsibility for the procurement system.

The President also directed the Secretary of Defense, Administrator of General Services, and Administrator of NASA to continue their joint efforts to consolidate their procurement regulations into one simplified Federal Acquisition Regulation (FAR) by the end of 1982. Final action on the FAR was not completed in 1982, and work will continue into 1983.

Recommendation No. 30

"Congress should adopt legislation establishing separate mandatory goals for all federal procurements and Federal funds or grants to states, localities, and public and private institutions on a contract-by-contract basis or agency-wide basis for small business (35 percent), minority-owned (Black, Hispanic, Native American, Asian Pacific American or other racial minorities) businesses (15 percent), and women in business (10 percent)."

For a discussion of this item, see recommendation 37 in particular. Recommendations 6, 23 and 30 are similar.

Recommendation No. 31

"The Federal Government should open public lands to energy exploration and production under regulations which provide reasonable environmental protection with: (a) a 30 percent small business set-aside; (b) fixed time limits for statutory environmental analysis; and (c) a 5-year limit on lease terms to encourage rapid development."

The Reagan Administration has repeatedly stressed its commitment to opening the public lands for greater energy development. The Bureau of Land Management has concentrated efforts on processing the backlog of non-competitive onshore lease applications. In July, 1982, Interior Secretary Watt announced a new 5 year plan for leasing the entire Outer Continental Shelf—nearly 1 billon acres—by 1987. The Interior Department has also moved to approve leases in designated wilderness areas, despite the strong protests of many Members of Congress.

No set-aside programs for small businesses have been implemented. Reducing the time and resources committed to environmental impact analysis has been a goal of the Interior Department, but some shortened analyses have been challenged on the grounds that they are inadequate and do not fulfill the requirements of the National Environmental Policy Act. Rather than promoting shorter lease terms to speed development, the Administration has advocated longer lease terms for some OCS leases and weakened diligence requirements for federal coal leases, arguing that the industry needs additional incentives to explore and develop their leases. The Administration has opposed legislation (S. 60) which would place a 5 year term on onshore oil and gas leases and require all competitive bidding for these leases.

Recommendation No. 32

"Government must use any new tax income from energy production and development for the future production and development of energy in the private sector, until the U.S. is energy self-sufficient. Small business should have tax exemptions and appropriate set-asides."

In 1980, the Congress enacted the Crude Oil Windfall Profits Tax Act. That law provides that the "profit" on any barrel of crude oil cannot exceed 90 percent of the net income attributable to such barrel. However, the revenue generated by that Act, up to the maximum revenue fixed in law to be derived from that Act reverts to the general Treasury, and is not targeted towards any energy production and development. In addition, Congress has established the Synthetic Fuels Corporation, and provided loan guarantee authority to assist in the identification and development of synthetic fuels. No substantial progress has been made in identifying plausible energy products with responsible sponsors, however. No specific small business tax exemptions or set-asides have been provided.

Recommendation No. 33

"The U.S. Government shall encourage the immediate expansion of nuclear and coal-powered electric generating capacity. Research efforts directed toward power technology should be expanded."

Several bills in related areas have progressed in the legislative process. For example, during the 97th Congress, the Senate had pending legislation, the "Nuclear Property Insurance Act" (S. 1606), which would establish a supplemental insurance fund administered by the Secretary of Energy to pay the costs of necessary remedial action following damage to nuclear power plants. However, the bill did not progress in the Senate, and no companion bill had been reported in the House. The Congress has passed the "Nuclear Waste Policy Act", Public Law 97-425 which would establish a national policy on the methods for, and disposal of, nuclear waste. In addition, the Senate Environment and Public Works Committee has reported legislation (S. 1206 and S. 304) providing for an extension of the authorization for the Clean Air Act. No further significant House or Senate action has taken place on this legislation.

Recommendation No. 34

"Congress should encourage substantial direct and investment tax credits for the implementation of all forms of conservation and alternative energy. Additionally, investments of up to $150,000 per year should be expensed."

No direct or investment tax credits have been adopted. While the 1981 Economic Recovery Tax Act does provide for a gradual increase over 5 years of a $5,000 direct expense provision (see recommendation 2) it is not targeted to conservation or developing alternative energy sources.

Recommendation No. 35

"Action should be taken to immediately remove price and allocation controls on crude oil and all petroleum products."

In 1981, President Reagan removed all Federal price and allocation controls from petroleum and petroleum products.

WOMEN IN BUSINESS

Recommendation No. 36

Women business owners feel that the traditional business community is not yet ready to treat them on an equal basis, and frequently find it extremely difficult to enter markets and obtain commercial loans, government contracts, and management assistance. Attempts have been made to aid women-in-business, such as the policy established by President Carter's Executive Order 12138, which is being implemented by an Interagency Committee on Women's Business Enterprise. After much deliberation, the delegates at the Conference chose to focus on credit, procurement, training, bonding, and the performance of federal employees on behalf of women business owners.

"Private lending institutions should be required to provide equal access to commercial credit for women in business. The Federal Reserve Board should establish record keeping requirements for commercial loans to women which will permit effective monitoring of performance under the Equal Credit Opportunity Act. The Small Business Administration should make bank certification available to as many commercial banks and other lenders as possible and establish targets for increasing the dollar volume of loans made to minority-owned and women-owned businesses, as one of the criteria for recertification."

This recommendation should be analyzed from the individual accomplishments of the three separate elements. With respect to the requirement that private lending institutions should be required to provide equal access to commercial credit for women in business, the Congress has enacted the Equal Credit Opportunity Act. The Federal Reserve Board has implemented the Act through "Regulation B" (12 CFR Part 202) which prohibits discrimination in any aspect of a credit transaction, including business credit, on the basis of race, color, religion, national origin, sex, or marital status. The regulation sets forth certain actions that creditors must follow with respect to applications they receive.

With respect to that part of the recommendation that the Federal Reserve Board establish record-keeping requirements for commercial loans to women, no such reporting has been instituted. Section 340(d) of the Housing and Community Development Act of 1980 required the Federal Financial Institutions Examination Council, in consultation with the Small Business Administration, to conduct a study to assess the feasibility of requiring depository institutions which make small business loans to compile and publicly disclose information regarding such loans.

In its May 7, 1981 report, the Council concluded that legislation to require depository institutions to disclose publicly information on loans to small businesses is not justified because the possible benefits would be substantially outweighed by the costs of the affected institutions.

On October 26, 198, the Federal Reserve Board published for comment proposed amendments to its "Regulation B" implementing the Equal Credit Opportunity Act. Among the proposed amendments to that regulation was a requirement that creditors give written notice of adverse business credit action to the business applicant and retain those records for 25 months. Although this proposal would have not been as extensive as the requirement to report loans made (as opposed to denied) it would have provided factual information on access to credit. On June 1, 1982, the Board published notice of its intent to withdraw this proposed amendment and on October 15, 1982, the amendment was withdrawn.

With respect to the extension of the bank certification program, in 1982, over 500 banks were participating in this program. Under the Bank Certification program, the Small Business Administration will rely to a greater degree on the detailed credit and other analyses of loan applications made by those financial institutions which meet SBA's criteria for certification under the program. SBA will still do a credit review (as opposed to a complete credit analysis) and, theoretically, SBA should be able to affix the Federal guarantee in a shorter period of time. In February, 1981, the General Accounting Office reported (CED 81-23) that while the program was generally successful in reducing the time for loan processing, many SBA internal controls were lacking. Since that report, several of the GAO recommendations have been addressed. However, funding fluctuations by SBA for the guaranteed program have occasionally undercut the concept of SBA's rapid approval of loan application.

Although the agency has encouraged lending to minority and women-owned businesses, no specific targets for such lending has been included in the BCP guidelines for either initial certification or for recertification.

For a similar issue, see recommendation 49(b).

Recommendation No. 37

"The President should initiate by Executive Order and Congress should enact legislation establishing mandatory goals and reporting requirements for all Federal procurements and procurements resulting from Federal funds and grants to states, localities and public and private institutions for small businesses on the basis of 50 percent for small businesses. The 50 percent shall be distributed so that 15 percent of all procurements shall be targeted for businesses owned by socially and economically disadvantaged persons (i.e., those businesses owned and operated by blacks, hispanics, native Americans, Asian Pacific Americans and other racial minorities), and 10 percent of all procurements shall be targeted for women-owned businesses as defined in Executive Order 12138. And further, that Congress should amend the Small Business Act to provide incentives to Federal prime contractors for subcontracting with women-owned businesses; provided however, that such an act does not included women-owned businesses as a category or class of socially and economically disadvantaged small business."

There are two major parts to this recommendation: (1) mandatory goals, and (2) reporting requirements. Although there has been legislation directed towards reporting requirements, there have been only four statutes pertaining to mandatory Federal procurement set-asides.

With respect to that portion of the recommendation relating to reporting requirements, Congress has provided several types of reporting requirements on small business participation in Federal contracting.

Section 15(g) of the Small Business Act, as added by Public Law 95-507, requires the head of each Federal agency, after consultation with SBA, to establish mutually acceptable goals for the participation by small business, and socially and economically disadvantaged small business.

Section 15(h) of the Small Business Act, as added by Public Law 95-507, requires the Administrator of the Small Business Administration, to annually obtain reports from each of these agencies on the actual extent of agencies' activities in meeting their procurement goals, and to report this information to Congress.

Finally, the "Small Business Economic Policy Act of 1980", Public Law 96-302, requires the President to annually submit a "Report on Small Business and Competition", and to include a report, by agency, on the total dollar value of all Federal contracts, and the dollar value (including subcontracts) over $10,000 awarded to small, minority-owned, and female-owned businesses.

With respect to the mandatory goals for procurement set-asides in 1977, Congress enacted the Public Works Employment Act of 1977 (Public Law 95-28) authorizing $4 billion for public works grants. One section of that law provided, in part, that:

"Except to the extent that the Secretary (of Commerce) determines otherwise, no grant shall be made . . . unless the applicant gives satisfactory assurance to the Secretary that at least 10 percentum of the amount of each grant shall be expended for minority business enterprises. (Section 103 (f)(2); 42 USC 6705 (f)(2))."

On July 2, 1980, the Supreme Court upheld the constitutionality of the Congres-

sional action in establishing the set-aside. *Fullilove* v. *Klutznick* 448 U.S. 448, 100 S.Ct. 2758 (1980).

In 1978, Congress adopted amendments to the Small Business Act (Public Law 95-507) which provided, in part, that under certain circumstances 100 percent of the contracts for goods and services under $10,000 shall be reserved exclusively for small business.

In 1982, Congress established a phased-in small business set-aside for research and development awards in selected agencies through the Small Business Innovation Development Act of 1982 (Public Law 97-219).

On January 6, 1983, the President signed into law the Surface Transportation Assistance Act of 1982 (Public Law 97-424). Section 105 (f) of that Act provides that:

"Except to the extent that the Secretary (of Transportation) determines otherwise, not less than ten percent of the amounts authorized to be appropriated under this Act shall be expended with small business concerns owned and controlled by socially and economically disadvantaged individuals. . . ."

This provision is similar to the amendment adopted as part of the Public Works Employment Act of 1977, and would require the allocation of that ten percent primarily by recipients of funds from the Federal Highway Administration and the Urban Mass Transportation Administration within the Department of Transportation. The provision would apply to the allocation of funds made to recipients in fiscal year 1983.

While Congress statutorily established in the Small Business Administration an 8(a) minority business development program to provide an opportunity for sole-source contracts to qualified minority businesses, there is no statutory goal for awards provided for this program.

Although there were no other statutory procurement set-asides adopted, several Presidential Executive Orders and memoranda have directed agencies to meet certain minimum dollar levels of contract support for minorities and women. On August 13, 1982, President Reagan urged agencies to increase their fiscal year 1982 procurement from minority business by 10 percent, over their fiscal year 1981 levels.

On December 17, 1982, the President released a statement on minority business, announcing steps to "promote an economic environment" for minority business growth. Among the specific steps outlined by the President in that statement were:

SBA and the Commerce Department's Minority Business Development Agency will directly assist in the formation of at least 60,000 minority businesses over the next ten years;

the Federal Government will procure an estimated $15 billion in goods and services from minority business during fiscal years 1983-1985, with actual procurement objectives set annually;

approximately $1.5 billion in credit assistance, and $300 million in management and technical assistance, will be made available over that 3 year period;

departments and agencies are directed to develop incentives to encourage greater minority business subcontracting by Federal prime contractors;

the Vice President's Task Force on Regulatory Reform is to explore opportunities for reducing regulatory and other barriers to small and minority business expansion; and

directing Federal contracting agencies to increase minority business procurement objectives for 1983 by at least 10 percent over 1982 actual procurements.

With respect to that portion of the recommendation dealing with incentives, Congress amended the Small Business Act (Public Law 95-507) to provide specific authorization for an incentive award to large business Federal prime contractors. Section 8(d)(4)(E) of the Small Business Act now provides:

"Notwithstanding any other provision of law, every Federal agency, in order to encourage subcontracting opportunities for small business concerns owned and controlled by the socially and economically disadvantaged individuals as defined in paragraph (3) of this subsection, is hereby authorized to provide such incentives as such Federal agency may deem appropriate in order to encourage such subcontracting opportunities as may be commensurate with the efficient and economical performance of the contract: *Provided*, that, this subparagraph shall apply only to contracts let pursuant to the negotiated method of procurement.".

The conference delegates adopted similar recommendations in 6, 26 and 30.

Recommendation No. 38

"The Small Business Administration should identify existing public and private management training programs, evaluate their effectiveness for women entrepreneurs and increase funding to those found to be effective."

SBA has a diversified program of Management Assistance which offers business management courses, conferences, workshops, and clinics for people who are considering going into business, for new business owners, and for more experienced business owners who wish to update their skills, enlarge their operations, or enter new fields. These are frequently cosponsored with local Chambers of Commerce, banks and other lending agencies, universities, and colleges. Speakers are drawn from the business leadership of the community, the Service Corps of Retired Executives (SCORE), the Active Corps of Executives (ACE), SBA personnel, and counsellors at SBA-sponsored Small Business Development Centers. Attendance has always been open to both men and women.

In fiscal year 1982, the Office of Woman Business Enterprise had $1.3 million (of which $600,000 was for salaries and expenses). In fiscal year 1983, the budget request was for $1.1 million.

In a study, the General Accounting Office concluded that SBA had not determined whether existing Federal business assistance programs can meet the needs of women entrepreneurs. Rather GAO argued that SBA has concentrated on "conceptualizing" new programs for women. In 1982, the Office of Women Business Enterprise was moved from within the Office of Advocacy to the Office of Special Programs. The agency has been reviewing programs to determine their applicability to providing assistance to women business owners. In addition to funding directly from the Office of Women Business Enterprise, considerable resources and training are made available through SBA's regular management assistance programs.

Recommendation No. 39

"Evaluate all Federal government employees in positions which impact on women and minorities, particularly loan officers, procurement officers and management assistance officers, in part on the basis of their performance on behalf of women and minorities."

No action has taken on this recommendation.

Recommendation No. 40

"The Small Business Administration shall establish a bonding program that permits the waiver of bonding requirements for Federal contractors who are small business owners. This program shall be available to all small business owners who have been: (1) unable to obtain bonding from any other source; (2) certified as competent by the SBA."

Under current law, the Federal Government requires all construction contractors who perform work on Federal projects in excess of $25,000 to be bonded. SBA has statutory authority to assist such contractors by extending a guarantee to a surety bond company of up to 90 percent of the face value of a bond required by a small business, up to a maximum of $1 million. Guarantees may be issued on bid, performance, or payment bonds. Surety companies eligible to receive SBA's guarantees must be included in the U.S. Treasury's list of qualified sureties.

Under legislation enacted in 1978 (Public Law 95-507), the Small Business Administration was given two-year authority to waive Federal bonding requirements for start-up small business if they met four specific statutory requirements. The program was then extended for one additional year (until September 30, 1981, by Public Law 96-481). However, no bonds were waived during that time, in part because of the agency's delay in getting implementing regulations in place and in part because of the rigid statutory requirements.

In the 97th Congress, the House passed legislation (H.R. 4500) which would extend this program through fiscal year 1983. In addition, the House included a similar bond waiver program extension as part of more comprehensive amendments to a Senate-passed bill relating to the publication of procurement notices in the Commerce Business Daily. No further action was taken on the legislation in the 97th Congress.

GOVERNMENT REGULATIONS AND PAPERWORK

Recommendation No. 41

When small business people talk about wanting less government interference, the area that they emphasize most is regulations and paperwork. Rules and forms have become such a headache even to government itself that hundreds of proposals have emerged to cut back the workload. Steps have been taken by individual agencies to improve the situation, but the delegates' chief interest was making government more sensitive to the impact of regulations on small businesses. The main themes in the workshops concerned better management and oversight of regulatory agencies, thorough-going economic analysis of the effect of regulations, and ways to add flexibility to regulations, and reporting requirements for small businesses.

The Regulatory Flexibility Act is addressed to these very same concerns.

"Congress shall exercise its oversight function with the assistance of the General Accounting Office, instituting sunset review of all laws, regulations, and agencies, to ensure that none exceeds original congressional intent. Sunset reviews, in an appropriate time frame (not less than every five years) should include economic impact analysis and proposed agency budget reductions,

leading to re-enactment of each agency's enabling legislation to permit its continued existence, or to reduce its size and cost.

"(a) Establish a Regulatory Review Board composed of representatives from the Executive Branch, Congress and small business owners, with responsibility for impact statements and cost controls.

"(b) Congress shall exercise line-item veto over regulations within a specified time through congressional oversight committees, with one-house floor vote."

With respect to the periodic review of agency rules, under Public Law 96-354 the "Regulatory Flexibility Act", Congress directed that all agencies establish a plan which provides for the review of all agency existing rules within ten years of that date and for the review of such rules adopted after the effective date of this law within ten years of the publication of such rules as the final rule.

However, this requirement applies only to the termination of rules, and does not refer to laws or agencies. In the implementation of this requirement, each year, each agency publishes in the Federal Register a list of the rules which have a significant economic impact on a substantial number of smaller entities, which are to be reviewed during the succeeding twelve months. The list includes a brief description of each rule and the need for and the legal basis of such rules and invites public comment upon the rule.

Congress has periodically considered both comprehensive and specific "sunset" legislation. Sunset reviews provide for the establishment of a fixed schedule for legislative review and reauthorization of programs, under the threat of automatic termination if no reauthorization is enacted. Since 1976, roughly 32 states have passed their own version of sunset laws.

Most of the Congressional "sunset" measures call for legislative program review based on requirements of clear statements of program goals in new authorizing legislation and detailed reporting requirements to provide measures of program performance. Although legislation providing for the automatic "sunset" of certain programs and agencies is common, no comprehensive proposal applicable generally has been enacted.

In addition to legislating the sunset of an entire program or agency by a certain date, Congress retains the annual authorization and appropriations process of funding as a check of an agency's compliance with its statutory mandate.

In addition, President Reagan has issued an Executive Order (No. 12291, Feb. 17, 1981) with the stated purpose of, among other things, increasing agency accountability for regulatory actions. The Order has both substantive provisions (such as prohibiting regulations if the potential benefits exceed its potential cost, and that agencies take into account how particular industries would be affected) and procedural provisions (such as requiring agencies to forward to OMB for clearance all proposed and final rules as well as all regulatory analyses before such documents are published). This order is more detailed than similar Executive Orders issued by President Carter (E.O. 12044) or President Ford (E.O. 11821).

Sunrise Legislation

In regard to the phrase in the recommendation to ". . . ensure that none exceeds original congressional intent", sunrise legislation would require a statement of specific program objectives and planned annual accomplishments in all legislation establishing budget authority or tax expenditures. This would provide a clear standard by which to evaluate programs. This could require congressional reviews on a 5-year cycle by limiting authorizations to five years' duration. The "sunrise review" would enable policy makers to revise programs to better suit shifting needs.

Legislative Veto

With respect to the legislative veto portion of the recommendation, Congress has repeatedly considered, and adopted, a variety of legislative veto provisions for agency rules. Some legislative veto proposals authorize simple or concurrent resolutions to block an agency's authority to adopt a particular rule without the enactment of legislation which requires the President's signature. Other provisions, by contrast, require action by both Houses and approval by the President. The legislative veto is essentially a negative act because it allows one or both Houses of Congress to say that it doesn't like what an agency is doing, but it doesn't necessarily insure that Congress will provide any more clear directions of what appropriate course of action the agency should take. The constitutionality of one form of legislative veto is under consideration and review of the Supreme Court.

Beyond the individual, and scattered legislative veto provisions enacted in various laws; Congress has for several years considered comprehensive regulatory reform legislation. On March 24, 1982, the Senate passed S. 1080, the "Regulatory Reform Act". Among the provisions of that bill was the adoption of a statutory, Government-wide mechanism for Congressional review of major rules promulgated by agencies. Each agency is required to inform both Houses of Congress and their appropriate Committees of the publication of any proposed or final major rules. Thus, the Congress will have advance notice and will be able to determine whether the agency has acted within its bounds and in keeping with the intent of the statute the agency seeks to implement through these rules.

Similar regulatory reform legislation was pending in the House (H.R. 746, Sept. 1982), although the reported version of the House bill does not have as strong a legislative veto provision as the Senate-passed bill.

For a further discussion of similar recommendations, see recommendations 45 and 46.

Recommendation No. 42

"Small Business should be eligible for magistrate review of agency civil penalties and reimbursed for court costs, reasonable attorney's fees, and damages from administrative action, if successful in civil disputes with the Federal Government, including IRS.

"(a) Such costs and fees to come from the operating budget of the agency.

"(b) Magistrates will be appointed and be responsible to the judges in each Federal Judicial District.

"(c) With burden of proof on the agency to defend its action."

Congress found that many small businesses were deterred from seeking review of, or defending against unreasonable governmental action because of the expense involved. The Equal Access to Justice Act is designed to diminish this deterrent effect by providing in specified situations an award of attorney's fees, expert witness fees and other costs against the U.S.

The Equal Access to Justice Act, enacted in 1980 (Public Law 96-481), provides for the reimbursement of attorney's fees for qualified "parties in both regulatory and court proceedings."

With respect to agency administrative proceedings, the Act provides that "an agency that conducts an adversary adjudication shall award, to a prevailing party other than the U.S., fees and other expenses incurred by that party in connection with that proceeding, unless the adjudicative officer of the agency finds that the position of the agency as a party to the proceeding, was substantially justified or that special circumstances make an award unjust."

To be eligible for such fees, a party seeking an award of fees and other expenses shall, within thirty days of a final disposition in the adversary adjudication, submit to the agency an application which shows that the party is a prevailing party and is eligible to receive an award, the amount sought, including an itemized statement from any attorney, agent, or expert witness representing or appearing in behalf of the party stating the actual time expended and the rate at which fees and other expenses were computed. The party shall also allege that the position of the agency was not "substantially justified."

The adjudicative officer of the agency may reduce the amount to be awarded, or deny an award, to the extent that the party during the course of the proceedings engaged in conduct which unduly and unreasonably protracted the final resolution of the matter in controversy. (The decision of the adjudicative officer of the agency shall be made a part of the record containing the final decision of the agency and shall include written findings and conclusions and the reason for it.)

With respect to civil proceedings in Federal court, and, unless expressly prohibited by statute, a court may award reasonable fees and expenses of attorneys, in addition to the other costs which may be awarded. The U.S. is liable for such fees and expenses to the same extent that any other party is liable under the common law or under the terms of any statute which specifically provides for such an award.

Fees are to be paid by the agency out of its operating budget over which the party prevails or may be paid in the same manner as the payment of other court final judgments from Congressionally appropriated general judgments fund.

The authority to pay attorneys fees expires automatically on October 1, 1984 unless extended affirmatively by Congress.

Until recently, there was a question about the applicability of the Equal Access to Justice Act to litigation involving tax matters. While it was clear that attorney fees could be awarded if the matter of tax liability was litigated in any United States District Court, a taxpayer had to meet certain procedural steps before being able to sue in Federal district court. In addition, the Equal Access to Justice Act was not applicable to litigation in the U.S. Tax Court.

The 1982 Tax Equity and Fiscal Responsibility Act (Public Law 97-248, approved September 3, 1982) made important changes in permitting the award of attorneys fees in dealing with the IRS. Among the changes the 1982 Act made include:

Permitting fees and costs to be awarded in any Court (including the Tax Court) for any civil action or proceeding for the determination, collection or refund of any tax, penalty or interest.

Attorneys fees are not limited to any hourly fee (under the Equal Access to Justice Act there is a $75 hourly fee for attor-

neys), but there is a ceiling of $25,000 on the recovery of all fees, costs and expenses for each proceeding (whereas the Equal Access statute has no ceiling on recoveries approved by the court).

In order to prevail in any civil proceeding involving the determination, collection or refund of any tax, the "prevailing party" must show that the position of the United States was "unreasonable". Under the Equal Access to Justice Act (which until amended by this statute would govern tax matters litigated in Federal District Court) the standard that has to be met is a lesser one of "substantially justified".

With respect to the burden of proof, in tax cases under this law the burden of showing that the IRS position is "unreasonable" rests with the taxpayer. Under the Equal Access to Justice Act, the burden rests with the agency to show justification for its action.

These provisions will be effective for civil actions and proceedings commenced after February 28, 1983, and is automatically terminated with respect to any proceeding commenced after December 31, 1985.

Recommendation No. 43

"The Office of Management and Budget should be designated the lead agency for both Federal regulations and paperwork of all agencies and programs (specifically including IRS), with responsibility for forms clearance, paperwork reduction, simplification and elimination, coordinating regulations and cost controls oversight; requiring agencies to submit to OMB an economic analysis measuring administrative and compliance costs, particularly for small business, of all proposed regulations and paperwork."

In 1980, to address the growing "paperwork burden," Congress enacted Public Law 96-511 the "Paperwork Reduction Act of 1980."

Among the purposes of the Act are:

(1) To minimize the Federal paperwork burden for individuals, small businesses, state and local governments, and other persons;

(2) to minimize the cost to the Federal government of collecting, maintaining, using and disseminating information;

(3) to maximize the usefulness of information collected by the Federal government;

(4) to coordinate, integrate, and, to the extent practicable and appropriate, make uniform Federal information policies and practices;

(5) to ensure that automatic data processing and telecommunications technologies are acquired and used by the Federal government in a manner which improves service delivery and program management, increases productivity, reduces waste and fraud, and wherever practicable and appropriate, reduces the information processing burden for the Federal government and for persons who provide information to the Federal government; and

(6) to ensure that the collection, maintenance and dissemination of information by the Federal government is consistent with applicable laws relating to confidentiality, including the Privacy Act.

To carry out this law, the Office of Information and Regulatory Affairs (OIRA) has been created within the Office of Management and Budget.

OIRA, through the Director of the Office of Management and Budget, is charged with the responsiblity of providing an affirmative clearance of agencies' request for information from the public. No request for information may be valid for more than three years. In addition, OIRA is responsible for insuring that agencies conduct periodic reviews of Federal information activities. Finally, as an "enforcement" mechanism on the agencies, and as a precaution for the public, the Act contains a "public protection" section that makes clear that, unless a request for information contains an OMB-assigned control number, the form or request for information can be ignored.

The Paperwork Reduction Act became effective on April 1, 1981. The earliest priorities established by OMB were to set in place the organizational structure and processes.

During the first eleven months that the act was in effect (April 1981-March 1982) OMB reviewed 4,767 agency requests for approval of information. It denied 480 requests, including 18 that were deemed duplicative of other agency information collection efforts.

Another aspect of the Paperwork Reduction Act is the requirement that existing Federal paperwork be cut by a total of 25 percent over three years. OMB estimated that the total Federal paperwork "burden" in fiscal year 1980 was 1.5 billion "respondent hours". In the 1980-1982 period, that has been reduced by almost 250 million hours, for a 16.7 percent reduction.

While the Paperwork Reduction Act has been working reasonably well (particularly in its mandatory clearance through OMB) the IRS has unilaterally taken the position that its regulations which have already been issued are not subject to the clearance process. OMB believes it has such authority. The Administration has been seeking an internal solution to the agencies' disagreements, but as of December 1982, no agreement has been reached.

Recommendation No. 44

"All Federal agencies should have the power to implement a tiered system of regulation. This should include the power to minimize and exempt small business from various regulations and reporting requirements as well. All new regulations should be designed to take into account the size and nature of the regulated business. All present regulations should be reviewed to see if they are still required."

This recommendation has been enacted through the Regulatory Flexibility Act, Public Law 96-354. For a further discussion of this issue, see recommendations 41, 45 and 46.

Recommendation No. 45

"When developing rules, forms, and guidelines, regulatory agencies must consult with small business representatives from affected industries and advocates assigned to each agency.

"(a) Consult SBA Office of Advocacy and small business trade associations who should be given sufficient authority and time (90-180 days) prior to publication of notice of proposed rulemaking) to influence regulators if a proposed rule and/or form would have an impact on small business.

"(b) Such proposed rules should reflect less formal administrative procedures for small business.

"(c) Agencies make available timely information and assistance, within 30 days in writing."

Under Public Law 96-354, the Regulatory Flexibility Act, the agency promulgating any rule that is determined to have a significant impact on small entities must assure that small entities are given the opportunity to participate in the rule-making.

When an agency is required to published general notice of proposed rulemaking for any proposed rule, it must prepare and make available an initial regulatory flexibility analysis. This is published in the Federal Register at the time of the publication of the general notice. The agency must also transmit a copy of the initial regulatory flexibility analysis to the Chief Counsel for Advocacy of the SBA. When an agency promulgates a final rule, it shall also prepare a final regulatory flexibility analysis. Copies of this analysis are made available to the public and the Office of Advocacy and published in the Federal Register at the time that the final rule is published.

For a further discussion, see recommendations No. 41 and 46.

ECONOMIC POLICY AND GOVERNMENT PROGRAMS

Recommendation No. 46

In previous years, small business has not participated actively in policy making. Their views have not been made known in national policy making circles. The delegates at the Conference expressed that concern and made some constructive suggestions for federal action. they focused on strengthening the SBA's Office of Advocacy, elevating the SBA to higher levels within the federal hierarchy, and getting small business advocates assigned to federal agencies.

"Require that all government agencies which develop fiscal, monetary, legislative and regulatory policies/practices shall submit small business 'economic impact' statements that require the regulatory agencies to identify the anticipated benefits and to justify the costs of Federal regulatory requirements to small business. In addition, all regulatory policies shall be subject to sunset provisions to be reviewed every 5 years in order to insure that only cost effective regulations shall be maintained and retained in the future."

In enacting Public Law 96-354, the Regulatory Flexibility Act, Congress directed the agencies to take certain actions. In October and April of each year, each agency must publish in the Federal Register a regulatory flexibility agenda, including a description of the subject area of any rule which the agency expects to propose which is likely to have a significant economic impact on a substantial number of small entities.

In the preparation of any rule, an agency must undertake an initial regulatory flexibility analysis to determine the potential impact of the proposed rule on small entities. Each initial regulatory flexibility analysis shall also contain a description of any significant alternatives to the proposed rule which minimizes any significant economic impact of the proposed rule on small entities. This requirement is also included in the analysis that the agency must make before publishing a final rule.

In reviewing rules to minimize any significant economic impact of the rule on a substantial number of small entities in a manner consistent with the stated objectives of applicable statutes, the agency shall consider the following factors:

(1) The continued need for the rule;

(2) The nature of complaints or comments received concerning the rule from the public;

(3) The complexity of the rule;

(4) The extent to which the rule overlaps, duplicates or conflicts with other Federal rules, and, to the extent feasible, with state and local governmental rules;

(5) The length of time since the rule has been evaluated or the degree to which tech-

nology, economic conditions, or other factors have changed in the area affected by the rule.

Each year each agency shall publish in the Federal Register a list of rules that have a significant economic impact on small entities which are to be reviewed during the succeeding 12 months.

However, this statutory requirement is applicable to regulations only, and does not apply to fiscal monetary or legislative policies.

In addition, the Act mandates a review of all existing regulations within ten years after the enactment of the Regulatory Flexibility Act, and within ten years after the promulgation of any new rule adopted after the date of enactment. In the President's first Report to Congress on the State of Small Business (March, 1982) the President indicated that he intends to direct agencies to accelerate that review from ten years to five years. As of December 1982, however, no such directive had been issued.

For a further discussion, see recommendations 41 and 45.

Recommendation No. 47

"The Office of Advocacy must be maintained, reinforced and expanded so that activity be not less than 5% of the SBA salary and expense budget. The legislative mission of Advocacy must be considered the number one priority of SBA and the Office of Advocacy. The independence of that function of the Office of Advocacy must be protected so that it may continue to have the confidence of the small business community. SBA's Advocacy budget should be devoted to economic research and analysis, as well as small business advocacy. Small business advocates, under the direct supervision of the SBA Office of Advocacy, shall be assigned to OMB, Federal Reserve Board, Treasury, International Trade Policy Committee and other regulatory agencies."

The Office of Advocacy is responsible for the development and implementaiton of a Small Business Administration Advocacy program, including the representation of small business interests, the analysis of the effects of federal laws, regulation and activity on small business, the development and utilization of a small business data base to aid in this analysis, and liaison with small business and small business organizations, and the public.

The office, headed by a Presidentially appointed, and Senate confirmed Chief Counsel, has specific statutory authority in the legislation creating the Office to present the views of the Office directly to the Congress. In addition, several other recent statutes have given the Chief Counsel specific functional requirements, including reporting directly to Congress. There has been no legislative action that would diminish the Office's independence.

In fiscal year 1983, the budget request for the Office (including salaries and funds for all research) was $5.6 million, or approximately 2.5 percent of SBA's total non-disaster assistance salaries and expenses.

With respect to that portion of the recommendation concerning small business advocates, no other agency has advocates under the supervision of the Chief Counsel. SBA's regional offices each have a regional advocate that reports to the Chief Counsel. For a similar issue, see recommendation 49.

Recommendation No. 48

"The merger and acquisition anti-trust laws should be amended to: (1) inhibit monopoly and conglomerate growth of giant companies, provided safeguards are built in to protect the needs of small business; (2) prohibit dual distribution that adversely affects wholesalers, distributors, dealers, retailers, and franchises; and (3) prevent the termination or non-renewal of wholesalers, distributors, dealers, retailers and franchises without good legal cause."

With respect to the recommendations to amend laws to inhibit monopoly and conglomerate growth, although several bills have been introduced in both the House and Senate to prohibit mergers between and among companies which exceed a certain "size", no significant action has been taken on them.

The 1982 Tax Equity Act (Public Law 97-348) made changes in the tax laws relating to mergers and acquisitions. Under the new law, the partial liquidation provisions of prior laws are repealed with respect to distributions made to corporate shareholders. Such distributions will be treated as dividends unless one of the prior law exchange provisions is met. Distributions in redemption of stock made to noncorporate shareholders resulting from a partial liquidation (as defined under prior law) will still qualify for capital gain treatment under revised redemption rules. These changes are generally effective for distributions after August 31, 1982. The new tax law repeals most of the exceptions to the general rule that a corporation must recognize gain on a distribution of appreciated property in redemption of its stock, but does add new exceptions. The result of these changes is that a distributing corporation can no longer be assured of nonrecognition on an in-kind distribution.

Under the new provision, a corporate purchaser has 75 days, after a qualifying acquisition of 80 percent or more of the stock of an acquired corporation, to elect to treat the acquired corporation as if it had sold all of its assets in a complete liquidation generally resulting in nonrecognition on the date of the stock purchase. Once the election is made, the acquired corporation's tax attributes are terminated and the basis of its assets are adjusted, as of the stock acquisition date, to reflect the price paid for the stock.

Under the new law, where stock of one corporation is transferred to a second "controlled" corporation and, as part of the consideration for the transfer, the second corporation either assumes a liability or distributes stock (other than common stock) or property, for purposes of certain anti-bailout provisions, earnings and profits of the first corporation are attributed to the second corporation.

With respect to the prohibition on dual distribution, the Robinson-Patman Act already generally prohibits such action. In the 97th Congress, several committees in both the House and Senate, including both Small Business Committees, have held hearings on the Reagan Administration's enforcement of the antitrust laws.

With respect to the prevention of terminations, only two legislative proposals have been provided at the Federal level. In 1978, Congress enacted the Petroleum Marketing Practices Act (Public Law 95-297). Under that law, gasoline dealers are provided a statutory scheme that establishes procedures governing the termination or non-renewal of these dealer/franchisers.

In addition, in 1978, the Federal Trade Commission adopted "Disclosure Requirements and Prohibitions Concerning Franchising and Business Opportunity Ventures (16 CFR Part 436). The rule addresses the problems of nondisclosure and misrepresentation which arises when prospective franchisees purchase franchises. The rule requires disclosure of important facts about the franchise relationship, including terms relating to the termination, cancellation and renewal of the franchise agreement. The rule does not regulate the substantive terms of the franchise relationship, however.

In 1980, Congress enacted the Soft Drink Interbrand Competition Act (Public Law 96-308). Basically, this law permits soft drink bottlers to operate under clearly-defined territorial restraints against intrabrand competition without creating a violation of the antitrust laws.

During 1981 and 1982, Congress considered, but did not approve, the Retail Dealers Agreement Act (S. 1256; H.R. 7106). The bill would make it illegal for a manufacturer to fraudulently induce a dealer to enter into an agreement, to not act in good faith in terminating an agreement, and to fail to provide sixty days notice to existing dealers before appointing a new dealer in the same area. Hearings have been held on this proposal, and the Senate Commerce Committee favorably reported the proposal. No further Congressional action has been taken on the bill.

In addition, both the House and Senate considered the "Small Business Motor Fuels Marketer Preservation Act". In the Senate, this bill (S. 326) which was reported favorably by the Senate Judiciary Committee, is designed to promote the viability of small business engaged in gasoline marketing by eliminating direct competition from the major refiners.

Recommendation No. 49

"The SBA should be directed to implement the following changes:

"(a) The duties of the Administrator of the SBA shall include the additional function of chairing a new group, within the Executive Branch, to be known as the 'Economic Policy Planning Committee for Small Business' to advise the President of small business matters. The new committee shall consist of the following: high level representatives of the Department of Commerce, Treasury, and Council of Economic Advisors.

"(b) The SBA Bank Certification Program should be expanded so that the SBA can devote more of its resources in terms of personnel and funding to small business advocacy.

"(c) The Office of Advocacy must be maintained, reinforced and expanded so that activity be not less that 5 percent of the SBA salary and expense budget. The independence of the function of the Office of Advocacy must be protected so that it may continue to have the confidence of the small business community. Small Business Advocates should be assigned to OMB, the Federal Reserve Board, the Treasury Department, and regulatory agencies, under general guidelines from the Office of Advocacy of the SBA."

With respect to subsection (a) of this recommendation, no action has been taken. One resolution has been introducted in the Senate (S. Con. Res. 91) and the House (H. Con. Res. 332) that expressed the sense of the Congress that the President invite the Administrator of the Small Business Administration to participate fully in the meetings of the Cabinet Council on Economic Affairs. No action has been taken on these proposals.

With respect to subsection (b) of this recommendation see the discussion in recommendation 36.

With respect to subsection (c) of this recommendation, see the discussion in recommendation 47.

Recommendation No. 50

"Small business representation in economic and regulatory decision-making should be increased. This should include, but not be restricted to the following steps by the President:

"1. Seek the counsel of the SBA Administrator and representative small business executives in developing policy.

"2. Appoint a small business executive as a senior advisor on the White House Domestic Policy Staff.

"3. Direct that small business advocates be assigned to the OMB, FRB, Treasury Department and regulatory agencies, under general guidelines from the Office of Advocacy at the SBA.

"4. Appoint small business persons to all national boards, commissions and advisory committees whose work impacts on small business."

This recommendation provides suggestions on actions that the President should take to increase small business representation. This recommendation is similar to recommendation 49 which focuses on the Small Business Administration.

With respect to subsection (1) of the recommendation, no formal process has been established by the President. Of course, a consultation process with SBA and small business groups on an ad-hoc basis as issues warrant has occurred.

With respect to subsection (2) of this recommendation, although there is not a small business "executive" per se on the White House staff, the President has a Special Assistant for business within the Office of Public Liaison who serves as a contact for small business.

With respect to subsection (3) of this recommendation, no action has been taken. This portion of the recommendation has also been incorporated in recommendation 47.

With respect to subsection (4) of this recommendation, no specific action has been taken. However, small business representatives have been made members of advisory committees in agencies other that SBA on matters dealing with small business issues.

INTERNATIONAL TRADE

Recommendation No. 51

This issue received limited attention at the Conference because most delegates were unfamiliar with export opportunities. Increasing small business potential for contributing to exports, however, is a major source for reversing the U.S. trade balance.

At the Conference, delegates concerned about international trade discussed a wide variety of measures, from ways to focus national policy to specific tax incentives to stimulate small business trade in foreign markets. Their final recommendations focused on tax measures, better loan and educational programs, greater use of trade exhibits, and a more organized government approach to export programs.

Recommendation No. 51

"Congress should broaden the tax deferral options of the Domestic International Sales Corporation and provide for the development of an American Trading Company which would automatically qualify as a DISC. Tax deferral options should include the following additional provisions for DISCs: (1) allow for deduction of twice the monies expended for participation in any bona fide overseas trade fair by a DISC; (2) allow for deduction of twice the amount of premiums paid to Eximbank and FCIA, as legal deductions prior to payment of DISC taxes; (3) increase the $100,000 exemption clause to $500,000; (4) provide for a graduated tax on 'deemed distribution' from $500,000 for $50 million, and a standard rate of 50 percent levied on over $50 million; (5) exempt new DISCs from any 'deemed distribution' requirement for at least the first three years of operation; and (6) provide for the elimination of existing incremental provision of DISC regulations. Congress should provide within the tax structure an 'Exporter's Allowance' or tax deduction which would apply in the trade of all goods abroad by granting an allowance for 75 percent of the marketing expenditures incurred by the exporter."

A Domestic International Sales Corporation does not pay the U.S. tax, and its shareholders escape current tax on a portion of its earnings because only 50 percent of those earnings are deemed distributed to them each year. After figuring the DISC's taxable income, certain items taxed to shareholders under other provisions are subtracted from that income. Under the Code, 50 percent of the remainder is a deemed dividend distribution, which is taxable to the shareholder.

No action has been taken on the specific tax recommendations relating to DISC. In fact under the Tax Equity Act (Public Law 97-248), the "deemed distribution" is increased to 57½ percent. Furthermore, the Act characterized the tax "benefit" (either the 50 percent), or after tax year 1982 the 42½ percent) as a preference item for purpose of the corporate minimum tax.

Bills have been introduced in House (H.R. 5179) and the Senate (S. 2708) that would permit DISC benefits to be transferred to foreign corporations. No action has been taken on either of these proposals, however.

Congress has passed the Export Trading Company Act (Public Law 97-290), designed to encourage exports by facilitating the formation and operation of export trading companies. No provision in that legislation, however, confers automatic DISC status on any certified export trading company.

Recommendation No. 52

"Eximbank should establish a special small business funding program through commercial banks, and should consider discounting loans to support international sales and should develop a cooperative program with the SBA for pre-export financing."

The Export-Import Bank of the United States does have a loan program operated in conjunction with commercial banks.

The Discount Loan Program enables commercial banks to extend fixed-rate medium-term export loans by providing stand-by assurance that the banks can borrow from Eximbank against the outstanding value of medium-term export notes. Commercial banks are reluctant to provide fixed interest rates on medium-term transactions because of the substantial fluctuations in their cost of funds. In many instances, however, fixed rate financing is necessary for the U.S. exporter to obtain a foreign order.

Eximbank will issue advance commitments to make fixed-rate loans to eligible U.S. commercial banks when the applicant bank is not prepared to offer fixed-rate financing unless Eximbank provides a discount commitment.

Eximbank's loan commitment covers up to 65 percent of the contract price of an export sale financed by the U.S. bank on terms ranging from 366 days to 5 years. The U.S. bank either purchases the debt obligation from a U.S. exporter or receives it from the foreign purchaser if the U.S. bank finances the buyer directly.

Eximbank's loan commitment provides the applicant bank with the assurance that it can fund its own fixed rate loan with Eximbank should interest rates and the cost of money rise.

The Discount Loan Program is a standby mechanism. A bank will usually request disbursement from Eximbank when the cost of alternative sources of money is greater than Eximbank's committed discount loan rate. The bank can repay the loans as soon as the alternative cost of funds is less than Eximbank's lending rate. A commercial bank may draw the discount loan once for each commitment.

Special Discount Loan Guidelines for Small Manufacturers

Eximbank provides increased discount loan support to small U.S. manufacturing companies engaged in medium term exports. For small manufacturers, Eximbank will lend 85 percent of the U.S. contract value at the Direct Credit Rate in effect on the date a completed application is received at Eximbank. For small manufacturers, Eximbank's Discount Rate is currently equal to the Direct Credit Rate, 12 percent per annum.

For this Program only, small manufacturers are defined as companies which together with all affiliates, subsidiaries and parent companies had total gross annual sales of $25 million or less in the previous fiscal year. (Evidence of sales volume and company affiliations must be submitted with the applications.)

If a bank (as exporter of record) or supplier, agent, export management company, etc., is selling products of a "small manufacturer," the transaction will be eligible under this loan category if the eligibility of the manufacturer of the products is established.

In an effort to increase the level of U.S. exports and the number of U.S. exporters, Eximbank developed a Small Business Program in 1978 which offers increased coverage against the political and commercial risks of non-payment on a U.S. exporter's foreign sales. These incentives, available under Eximbank's Bank Guarantee Program and the Export Credit Insurance Program offered in cooperation with the Foreign Credit Insurance Association (FCIA), are available to firms with net worth of $2,000,000 or less who have had average annual export sales of $750,000 or less during the preceding two fiscal years and have not utilized Eximbank or FCIA program since January 1, 1975.

Little, if any lending for small businesses have been made through the Eximbank's direct loan program. Under one bill introduced in the Senate (S. 2781, the Export-Import Small Business Assistance Act of 1982) Exim would be required to set-aside 12 percent of its annual direct loan authority for loans of less than $5 million. However, no action has been taken on this proposal.

In addition, section 112 of the Small Business Export Expansion Act of 1980 (Public Law 96-481) establishes within the Small Business Administration an export revolving line of credit program to enable small business concerns to develop foreign markets and for pre-export financing this revolving line of credit may be made directly by SBA,

or through a guarantee for not to exceed eighteen months. The maximum amount of the line of credit is $500,000.

Recommendation No. 53

"The Federal Government should establish field one-stop service shops to include export service of all Federal agencies under the guidance of the Department of Commerce."

Status: Under Section 113 of Public Law 96-481, Congress established within SBA the Office of International Trade. This office is to promote sales opportunities for small business goods and services abroad. The law states that the Office is to provide:

(1) Access to current export information with the cooperation of the Department of Commerce;

(2) Current lists of financial institutions that finance export operations;

(3) A directory of current Federal, regional, state and private sector programs that provide export information and aid to small business; and

(4) Reports on market conditions, sources of financing, export promotion programs and other information pertaining to the needs of small business exporting firms.

This public law also directs that there be established an export promotion center in each of two district offices of the International Trade Administration of the Department of Commerce located in metropolitan areas where district offices of SBA and IRS exist. Each export promotion center shall serve as a one-stop information center or Federal Government export assistance, financing programs available to small business and other provisions of law governing exporting for small business. Representatives from Commerce, SBA, IRS, the Export-Import Bank and the Overseas Private Investment Corporation were all designated to provide staff for the centers

The statutory requirement for these centers expires on October 1, 1983.

The Department of Commerce established the two centers in Milwaukee, Wisconsin and Charleston, South Carolina. At Senate Small Business Committee hearings on August 19, 1982, the Department of Commerce reviewed the performance of these two centers, but recommended that the authority not be continued.

Recommendation No. 54

"The President and Congress should consolidate under an existing cabinet level department, a unified world trade administration. It would be responsible for all trade policy functions of the various agencies and departments. Its objective would be to maximize the international competitive strengths of U.S. Small Business with support and goals for minority, women-owned and disadvantaged business and specific programs developed to utilize their units of technological, educational, cultural, language and political expertise."

The trade functions of the United States Government, while having been consolidated in the past several years, still remains divided between several departments and agencies.

In January, 1980, President Carter reorganized ITA as part of a reorganization of trade functions in the Executive Branch. The trade reorganization consolidates in the Commerce Department the operation of the U.S. Government's nonagricultural trade functions. Commerce traditionally has had major responsibilities in export promotion, trade adjustment assistance and export control. The reorganization strengthens Commerce's lead role in export promotion in two ways. First, it assigns to Commerce the responsibility for commercial representatives abroad and transfers to Commerce the commercial attache positions in 65 countries abroad. Second, the reorganization assigns to Commerce responsibility for implementing the agreements resulting from the Multilateral Trade Negotiations (MTN) through education and promotion programs, technical assistance to the private sector, and development of data bases for monitoring purposes. These activities are overseen by the newly created Under Secretary for International Trade.

A key feature of the reorganization is the designation of an Assistant Secretary for Trade Development. This position creates a central management focus to ensure effective coordination of all ITA Trade Development responsibilities.

The reorganization transferred the functions of commercial officers in U.S. embassies abroad from State to Commerce. On April 1, 1980, the Department of Commerce inaugurated the new Foreign Commercial Service. The reorganization also consolidated all country marketing and international economic policy under an Assistant Secretary for International Economic Policy.

In an effort to specifically increase the flow of export information in a timely and useful form to small business, Congress legislatively established (Public Law 96-481) within the Small Business Administration an Office of International Trade. The purpose of this Office is to provide small business with access to current and complete export information, including the use of export development specialists in each SBA regional office, and encouraging greater small business participation in Commerce Department export in development programs.

Other departments and agencies which continue to play an important role in the area of export policy and trade development are the U.S. Trade Representative, the Departments of State, Justice and Agriculture, the Export-Import Bank and the Foreign Credit Insurance Association (these latter two specifically with respect to financial assistance).

Recommendation No. 55

"Congress should provide for support and expand the use of all officially recognized Trade Fairs, Exhibits, and Trade Centers abroad with small business participation; continue to encourage the Department of Commerce to increase the promotion of foreign buyer and foreign visitor travel to the United States; and develop a program utilizing the cultural, language and political expertise of all Americans, especially ethnic groups, to assist in preparing, implementing and utilizing a sales package for use in expanding International Trade in all world markets."

Considerable Congressional and Executive Branch action has been taken to increase exports generally and small business participation in particular in trade fairs and shows. For example, the Department of Commerce regularly provides three types of trade mission programs. The trade mission, with its one-on-one individual appointments arranged for each participant, provides a unique opportunity for a small business executive to meet potential agents, distributors and buyers in countries where the company has no commercial contacts.

The Specialized Trade Mission brings together a group of business executives, usually from seven to twelve, in a specific industrial sector for which market research has identified strong potential market opportunities in one or more countries. These executives normally travel to three countries with similar commercial needs in the same geographic area. The objective of a Specialized Trade Mission and the principal feature of the program is the preplanned individual business appointments reflecting the specific marketing objectives of each mission member.

The Trade Mission members identify their products/services and provide sales literature; pay their own transportation and subsistence expenses; and pay a contribution to the Department of Commerce to cover the shared operational, promotional and hospitality costs of the mission.

Seminar Missions

The seminar form of the trade mission technique is employed when the complexity of the product theme or other market-related factors indicate that the mission will be more effective as a promotional vehicle if it includes a technical orientation segment. A Seminar Mission program includes, therefore, a state-of-the-art seminar. In all other respects, the Seminar Mission is similar to the Specialized Trade Mission.

Catalog Exhibitions

Catalog Exhibitions represent the major part of the U.S. sales promotion activities in some remote small markets where major industrial equipment exhibitions are not feasible. Catalog exhibitions also serve industry as an American presence at international trade fairs and exhibitions.

The Catalog Exhibition Program is designed specifically to aid small businesses in the United States to obtain market exposure and develop contacts overseas. Requiring no expenditure of time or money by a company marketing executive, a firm that has no expertise in exporting can investigate the market for its products in one or more countries at extremely low cost.

The Small Business Administration has recently (July, 1982) signed separate interagency agreements with the International Trade Administration and the National Oceanic and Atmospheric Administration of the Department of Commerce, and the Agriculture Department's Foreign Agricultural Service.

The NOAA agreement stipulates that SBA will, in cooperation with the National Marine Fisheries Service, select 12 small U.S. fishery firms to take part in foreign trade shows designed to help small firms to sell fish and shellfish products abroad. The SBA will pay the small firms' trade show participation fees.

Under the agreement signed with FAS, SBA will fund participation and shipping fees connected with foreign trade shows of 20 small firms which produce agriculture products.

In addition, the Congress has passed the Export Trading Company Act of 1982 (Public Law 97-290). The law is designed to permit and encourage the formation of privately organized export trading companies which will assist businesses in overcoming the barriers to increasing export opportunities.

In addition, several department and agencies provide important information to small businesses on export opportunities. Primary governmental sources of information include the U.S. Commerce Service and the export promotion specialists in the Small Business Administration's regional offices.

For a further discussion of organization responsibilities, see recommendation 54.

The implementation of this recommendation requires a continuing commitment to increasing small business participation in exporting.

EDUCATION, TRAINING AND ASSISTANCE

Recommendation 56

Many small companies go out of business within five years, due primarily to a lack of managerial expertise. The delegates expressed a strong desire for management aid from the private sector instead of from government. There is a need for a systematic, national program of education to encourage entrepreneurship, one that would entail not only initial education, but also continuing management assistance and some means to update specific skills. Closely allied to education, in the delegates' view, is the need to improve public awareness of the problems and potential of small business.

"A Small Business Educational Task Force for entrepreneurial educational training shall be appointed by the President and coordinated by the Office of Advocacy. Task Force members shall come primarily from small business to initiate, promote and develop the incentives for demographically projectionable, formal, business planning and case history-type continuing education and public awareness (through all media) in small business. Mandate to the Task Force shall be to come up with self-liquidating (pay for themselves) programs for the benefit of small business. This should be achieved within 120 days."

No action has been taken on this recommendation.

Recommendation No. 57

"The Small Business Administration's management assistance program should be strengthened and expanded by allocating a greater portion of the Agency's total resources to reflect an increased emphasis on management assistance rather than the traditional emphasis on financial assistance."

The Small Business Administration, and the Congress, have given increased attention to the structure, and program delivery, of the management assistance programs of the agency. The regular management assistance programs of SBA, include direct counselling, the Small Business Institute, use of volunteers through SCORE and ACE, and a variety of pre-business workshops and cooperative management assistance with the private sector. This increased attention to the management assistance functions of the agency includes the 1980 creation of a statutory, pilot, small business development center program (lasting until 1984 under the terms of Public Law 96-302). However, in fiscal year 1983, the Small Business Administration's budget request for all management assistance programs (including SBDC's) was less than in fiscal year 1982 in both actual dollars and as a percentage of the non-disaster portion of the agency's total salaries and expenses.

As required by statute, SBA has contracted for an evaluation of the Small Business Development Center program in early 1983. It is likely that an extensive Congressional review of all of the Small Business Administration's management assistance programs will be conducted by Congress in 1983.

Recommendation No. 58

"A National Policy should be established for the support of entrepreneurial education and training, continuing education and management assistance, provided by the public and private sector, as an opportunity for every American who wishes to own his or her small business and should receive recognition as a priority from the highest levels of government."

No action has been taken on this recommendation. For a discussion of a related matter, see recommendation No. 57.

Recommendation No. 59

"Establish 'One-Stop Shops' under the coordination of SBA for small business assistance programs utilizing effective information systems and management assistance programs to serve the small business community on the local level, with primary implementation occurring through the private sector, existing agencies and existing organizations."

The Small Business Administration's various management assistance programs, particularly the pilot SBDC program, are designed to provide either one-stop, or on-site consultation for the small business. For a discussion of a related issue regarding exports, see recommendation 53.

Recommendation No. 60

"Congress should enact legislation that would provide tax credits or other tax incentives for: (a) Expenses incurred to educate small business owners and operators regarding the management of business; and (b) Expenses incurred to conduct continuing education and training and to provide on-the-job entrepreneurship experience."

While the general issue of labor training is receiving a great deal of attention, the specific measures proposed above have not been enacted. Concern over the lack of needed skills among the labor force is prompting debate over what needs to be done. As a result, new job training legislation was recently signed into law that will focus principally on the low income unemployed, and on permanently displaced workers. It is very likely that special tax incentives for private sector training of employees will receive attention in the next Congress.●

OFFICER OF THE YEAR AWARD TO GREG PARMAN AND THOMAS L. SMITH

● Mr. LUGAR. Mr. President, earlier this month, the congressional chapter of the Exchange Club honored two U.S. Capitol Police officers, Greg Parman, of Brownstown, Ind., and Thomas L. Smith.

They were honored for their courage and service to the community after a dangerous chase and capture of an armed shooting suspect in the vicinity of the Capitol.

The Officer of the Year Award was presented because of the special heroism they displayed on August 16, 1982, but their dedicated service throughout the year should not go unrecognized.

I have brought this award to the attention of the Senate for two reasons: I am proud of Greg Parman who was my constituent and because the award serves as a reminder of the courage each police officer must display daily.

We owe a debt of gratitude not only to Greg Parman and Thomas Smith, but to every police officer who has risked his life in the performance of duty.●

SCLERODERMA AWARENESS WEEK

● Mr. GOLDWATER. Mr. President, I am pleased to be a cosponsor of Senate Joint Resolution 75, introduced by my friend from Idaho (Mr. SYMMS), to designate the week of June 12 through June 18 of this year as "National Scleroderma Awareness Week." I wish to explain why we feel it is important to bring attention to this little-known disease, which is a form of arthritis.

First, I will mention the United Scleroderma Foundation, a nonprofit group, which was established in December of 1975, to educate and inform the public about scleroderma and to encourage more awareness within the medical profession itself. The foundation encourages patient contact and support through chapters from coast to coast, and through newsletters and informative workshops. Also, the foundation promotes medical research toward finding a cure for scleroderma by awarding grants to researchers who publish outstanding work on this and related diseases.

The foundation is the inspiration of Dianne Williams, who is afflicted with scleroderma. There are now 25 chapters of the foundation across the United States. Through chapter participation, patients work together to increase public awareness of the problems and needs of the scleroderma patient.

While seemingly rare, scleroderma is more prevalent than muscular dystrophy. In fact, over 300,000 people suffer the symptoms of this many-faceted disease.

In order to further promote awareness of this disease and the need for a national effort to search for an eventual cure, the Senator from Idaho and I, together with several other Members of the Senate, have introduced legislation calling for the designation of "National Scleroderma Disease Week." I urge my colleagues to join us in this cause.●

THE MOSCOW HELSINKI MONITORING GROUP: GREATER THAN THEIR NUMBERS

● Mr. DOLE. Mr. President, May 12, 1983, marks the seventh anniversary of the founding of the Moscow Helsinki Monitoring Group, a small group of courageous citizens who committed themselves to the task of monitoring soviet compliance with the human rights provisions of the Helsinki Final Act of 1975.

In a free society, such an occasion would probably rate no more than a brief notice in the major news media. But the founding of the Moscow Helsinki Group represented a milestone in the checkered history of human rights activity within the Soviet empire. Under the leadership of Dr. Yuri

Orlov, eleven persons placed their signatures on the statement declaring the group's existence and its goals. Subsequently, the group's ranks were joined by six more Soviet citizens commited to making the human rights provisions of the Helsinki accords a reality in their homeland.

In its declarative document, the Moscow Helsinki group stated that "its first goal is to inform all heads of state which signed the final act on August 1, 1975, and also to inform the public about cases in direct violation of the articles named above," that is, the humanitarian provisions of the Helsinki accords, particularly "respect for Human rights and fundamental freedoms" and "cooperation and exchanges in the area of culture." To this end, the group collected written complaints and information relating to violation of these articles, and produced a series of documents cataloging these violations. From May 12, 1976, until August 9, 1982, the Moscow Helsinki Group issued over 200 such documents covering such issues as political and religious repression, forced psychiatric confinement, emigration difficulties, the situation of prisoners of conscience in the Soviet penal system, to mention just a few of the major theme.

A short time after the founding of the Moscow Helsinki group, similar Helsinki monitoring groups were formed in other areas of the Soviet Union: Ukraine, Lithuania, Armenia, and Georgia. Other organizations subscribing to the ideals of Helsinki devoted themselves to examining specific issues such as psychiatric abuse, rights for the handicapped, religious liberty. All in all, the total membership of the Moscow Helsinki group came to 17 persons, with approximately 70 more in the associated organizations. "An insignificant minority of renegades" was how the Soviet press would characterize these human rights activists, but their influence was far beyond their numbers.

EVERY MAN'S CONSCIENCE IS A THOUSAND SWORDS

In signing the Helsinki Final Act of 1975, the Soviet Government agreed, along with the 34 other signatory nations, to respect freedom of thought, conscience, religion, and belief, among the many provisions of the document. Yet, those Soviet citizens who attempted to put these provisions into practice soon found themselves the object of persecution and harassment by Kremlin police and KGB agents. Needless to say, the same fate awaited an organization that sought to collect information on, and chronicle these violations of the Helsinki accords. Four Moscow Helsinki monitors were forced to emigrate from their homeland. Ten more are currently serving sentences that total 97 years in labor camps, prison, and internal exile. The group's founder, Dr. Yuri Orlov, is suffering officially condoned mistreatment at Perm Labor Camp No. 37. In October 1982, he was assaulted by a camp thug while camp authorities looked on. We are all familiar, I am sure, with the desperate hunger strike undertaken recently by Anatoly Shcharansky for the simple right to correspond with his family. Simply out of vindictiveness, prison authorities refused to allow Ivan Kovalev and Tatyana Osipova, a married couple belonging to the Moscow Helsinki group, meet while they were serving in the same prison camp complex. The treatment accorded the other imprisoned or internally exiled Moscow Helsinki monitors is hardly more humane. The three remaining group members who are still at liberty in the Soviet Union were forced to discontinue their public activities in August 1982. They had been, and still are, under the constant watch of the KGB, and subject to arbitrary interrogations and harassment. Nearly all of the other Helsinki groups have been suppressed into inactivity, their members either in prison or having at one time served sentences for Helsinki-related activities.

Mr. President, in Shakespeare's Richard III, one of that unfortunate sovereign's adversaries proclaims that "every man's conscience is a thousand swords." The consciences raised by the Moscow Helsinki monitoring group, and by their allies throughout the Soviet Empire, have been nonviolent swords, cutting through the lies and evasions of official propaganda on Soviet compliance with the human rights provisions of the Helsinki accords. Today we honor the efforts of the Moscow Helsinki monitoring group. Their efforts have not been in vain, nor will they be forgotten.●

CENTRAL AMERICAN POLICY

● Mr. EAST. Mr. President, the continuing debate over our policy in Central America continues to miss the point. The ultimate purpose of our support of the desperate defenders of freedom in the elected Government of El Salvador is not the conversion of that Government to our own form of government or our conceptions of what constitute human rights. The purpose is to prevent the forces of international communism from establishing another beachhead on the Central America isthmus in a country that is less distant from Texas than Texas is from New York. The struggle of the people and Government of El Salvador, Mr. President, is in every sense our struggle.

Two articles in today's Washington Times)—one an editorial criticizing both congressional "liberals" who are doing everything they can to undermine our help to El Salvador as well as certain elements in the Reagan administration that seem not to understand the stakes in Central America or what to do about the crisis there; and the other an opinion editorial by Michael McDonald analyzing the arguments of certain pundits in our media that are also seeking to undermine our defense of freedom—express the issues simply and clearly. I commend them both to my colleagues, and I ask that they be printed in full at the conclusion of these remarks in the RECORD.

The articles follow:

IT'S LATE AND GETTING LATER

Another day, another step closer to the precipice. We're losing in Central America. The latest is that the House has voted to give El Salvador a pathetic $30 million in aid—on condition that the government negotiates with the guerrillas. That means, in effect, to let the Soviet-backed opposition take over. Meanwhile, on the other side of the world, we are giving $10 million in aid to Sovietized Mozambique, with no strings and no questions asked.

It is time to give up and reconcile ourselves to Soviet entrenchment on our southern borders? Unless the president makes some radical changes in the way he handles foreign policy, it's hard to foresee anything else. Norman Podhoretz, in his penetrating analysis of what went wrong in Vietnam, talks about how successive presidents tried to deal with the problem "on the cheap." Kennedy, Johnson and Nixon all knew what needed to be done, but for fear of alienating the public, they tried to do it without spending much money and without taking the political risks of blunt talk to the people back home.

Much of the same thing is happening this time around. The president who, when he was a candidate, talked about the possibility of strong-arming Cuba as a way of forcing Soviet concessions to the Poles, hangs back from an openly stated global strategy of resistance to Soviet imperialism. Instead, he, like his predecessors, meets the well-coordinated advance of the adversary in a half-hearted and piecemeal way.

A few advisers for the Salvadoran army . . . American training for fewer Salvadoran soldiers than there are Salvadoran guerrillas regularly learning their trade in Nicaragua. And we say we're trying to prevent a Soviet-backed, Soviet-style government in San Salvador, but we have a hands-off rule when it comes to helping democratic forces that want to challenge the Soviet-backed, Soviet-style government in Managua.

It's not all the President's fault, of course. The liberal opposition in Congress has been ingenious in finding ways to stop him from implementing the strong-America principles that brought him to the White House in the first place. But, in the end, the responsibility is his. He has the power to convince the people of the United States of the true dangers confronting them in Central America and of what must be done to protect our interests and the principles we value.

The major point to be made is that damage limitation of the sort we've been aiming at ever since the Korean war won't do. We must have a strategy for winning.

The first step would be to get rid of the intellectual fuzz accumulated during the Carter administration. President Carter, in his idealism, said he was tired of supporting the wrong guys in Latin America. He failed to note that El Salvador was doing quite

well by Third World standards. Both economically and politically, things were getting better for the Salvadoran poor.

The Carter entourage had no patience with gradualism, however. Not only was American influence enlisted in ousting the comparatively mild Savadoran dictator, Romero; an American-designed land reform was, at American instigation, forced on the country by the bayonets of the Salvadoran army.

We see the results. We also see shocking continuations of Carter-style American behavior in that part of the world. The president of Costa Rica—a socialist—asks for American help to defend his borders against Sandinista incursions. He immediately becomes a fascist pariah to both the press and the State Department. We make $75 million in aid to Nicaragua contingent on the Managua government's not exporting terrorism. Even former Secretary of State Edmund Muskie says there's plenty of evidence to justify cutting off the aid. President Ronald Reagan hesitates.

And so it goes. Every evidence of faltering purpose on our part weakens the morale of democratic forces in Central America and, indeed, around the world. And convinces the totalitarian revolutionaries they don't have to compromise. When will we learn?

CENTRAL AMERICA: FOREVER RESTATING THE OBVIOUS

(By Michael McDonald)

At the outset of a favorable review of a new book by Betrand Russell, George Orwell remarked that "if there are certain pages . . . which seem rather empty, that is merely to say that we have now sunk to a depth at which the restatement of the obvious is the first duty of intelligent men."

At the time Orwell wrote—January 1939—the western democratices faced an implaceable, expanding totalitarian foe and were, to put it mildly, in serious trouble. Unhappily, the West finds itself in a similar situation today. And for similar reasons, now as then, the "restatement of the obvious" has once again become "the first duty" of western leaders and intellectuals.

In this regard, U.N. Ambassador Jeane Kirkpatrick's recent essay in The Washington Post ("This Time We Know what's Happening", April 17, 1983) was a welcome relief from the run-of-the-mill foreign policy analyses about Central America. In the space of a few thousand words she succeeded admirably in describing what communist objectives are in that part of the world, what choices lie ahead for Congress as it begins debate over whether to cut off continuing American aid to El Salvador, and what the political and moral consequences of its decision will be both for the United States and for our allies.

Unfortunately, critical response to the ambassador's remarks has been hostile and leaves one less than optimistic about the chances of achieving a domestic consensus on how best to ensure the survival and defense of freedom in this hemisphere.

Richard Cohen's reaction was typical. In an article that appeared in print two days later ("War Critics", The Washington Post,) Mr. Cohen somehow manages to achieve the next-to-impossible feat of ignoring everything Kirkpatrick had to say in the course of attempting to refute her.

According to Kirkpatrick, the Sandinistas and the guerrillas in El Salvador are committed. Marxist-Leninists. As such, their concern for instituting democracy and for ending human rights abuses is non-existent. Their interests are wholly inimical to our own, allied as they are to the Soviet Union, and they threaten an area of vital importance to us and to our allies.

Cohen disputes none of these facts. Instead he pleads for a completely amoral foreign policy, one indifferent to the attempts of foreign nations to resist external aggression. (So much for 200 years of American history and our role as leader of the Free World.) He then concludes his piece, incredibly, by arguing that for the United States the issue of whether to intervene in these types of situations should always hinge on whether there is (1) a compelling U.S. interest in the region and (2) whether the United States can make a difference.

What is incredible about this statement is not that it is incorrect but that Cohen makes it an attempt to justify *non-intervention.* Clearly there is a compelling U.S. interest in Central America and just as clearly, given our proximity to the region, we can make a difference.

Cohen, however, is not alone in his inability to relate geopolitical realities to our national interest.

Philip Geyelin also believes that we should ignore Kirkpatrick's "harrowing rationale" for thwarting communist subversion in Central America. (See "The Kirkpatrick Theory," *The Washington Post,* April 24, 1983.) Although he too refuses to argue with the distressing facts Kirkpatrick has provided, he nonetheless lends implicit support to the idea that the United States is capable of conducting a "diplomatic spectacular" in which all concerned parties, including the Soviet Union and Cuba, will negotiate an end to the conflict. The consequences of past "diplomatic spectaculars" with communist nations—most notably the Paris Peace Accords of 1973 and the 1975 Helsinki accords—apparently leave Geylin undaunted.

What is there left to say when the facts about Central America are presented in all their hard-edged concreteness and yet professional political observers willfully refuse to acknowledge them? Perhaps it is sunk to such a depth that even the restatement of the obvious is no longer sufficient to get people to begin to think clearly.●

THE RECENT MURDER OF THE TURKISH AMBASSADOR TO YUGOSLAVIA

● Mr. DENTON. Mr. President, I must express my shock and revulsion at yet another outrage perpetrated against a Turkish diplomat in the name of the so-called Armenian genocide.

On March 9, 1983, Ambassador Galip Balkar was murdered by two assassins while seated in his automobile at a traffic light in Belgrade, Yugoslavia, the country to which he was accredited.

Ambassador Balkar is the 26th victim of the terrorist campaign started in Los Angeles, Calif., in 1973 by the slayings of the Turkish Consul and the Turkish Consul General. In addition, a total of 60 bombing attacks have been directed against Turkish targets. Four of the murders and eight of the bombings took place in the United States, the remainder in Western Europe, Lebanon, Canada, and Australia.

In July 1981, the Subcommittee on Security and Terrorism, which I chair, held extensive hearings on international terrorism. During the hearings, Prof. Aydin Yalcin, from the University of Ankara, and Dr. Stefan T. Possony, of the Hoover Institution at Stanford University, testified in detail about terrorism in Turkey and about the Armenian terrorist groups operating outside of Turkey.

There are two major terrorist groups, the ASALA—Secret Army for the Liberation of Armenia—and the Justice Commandos of the Armenian Genocide. Both of those groups, one intentionally, the other perhaps unwittingly, serve the interests of the Soviet Union in the Eastern Mediterranean. ASALA, which is avowedly Marxist, regards the "reactionary, imperialist U.S." as the main enemy of Armenian nationalism and wants to attach the six eastern provinces of Turkey to Soviet Armenia, a part of the U.S.S.R.

As with other terrorist groups, its campaign is aimed as much at the media as it is at Turkish diplomats, their embassies, and missions. ASALA wants to blacken the international image of Turkey by bringing to the fore what it calls "the massacre of 1.5 million Armenians by the Ottoman Empire in 1915-16." Whatever may have been the errors of the Ottoman Empire during the intercommunal strife precipitated by the Armenian rising in 1915, the Empire did come to an end in 1920. I do not doubt that during 1915-16, many thousands of Armenians perished in battle and from hunger and exposure. Similarly, I do not doubt that thousands of Turks also died.

The Government of Turkey does not persecute Armenians. The grandchildren and great-grandchildren of the victims of a tragedy that took place more than 50 years ago cannot justify their criminal actions against Turkish diplomats and their families by the alleged misdeeds against their grandparents and great-grandparents by some tortured argument about justice or retribution.

The events of 1915-16 are not the cause but simply an excuse for the ASALA attempt to create a Marxist revolutionary mass movement among the Armenian youth of Lebanon, France, the United States, and Canada, where most of the Armenians in the free world now live. Although the ASALA only has a few hundred hardcore members, it has many misguided sympathizers, for otherwise its member could not successfully commit their heinous crimes.

As for the Justice Commandos, they are more nationalistic and radical, much like the Montoneros of Argentina and no less deadly. Just as ASALA, they have made it a practice not to

criticize the Soviet Union, which keeps in total subservience the 3.2 million Armenians now residing in Soviet Armenia, and an additional 1 million Armenians living in the Soviet Union outside of the Armenian S.S.R.

The overwhelming majority of the 500,000 Americans of Armenian heritage are law-abiding, God-fearing citizens. The terrorist often seek to exploit the legitimate desire of the Armenian people to express the their identity by infiltrating Armenian heritage groups, and so-called cultural exchanges, and by other methods. They often prey on the desire of Americans of Armenian descent who seek to preserve and encourage the nostalgia for the traditional culture of Armenia, a modicum of which is still being allowed in Soviet Armenia, allowed, that is, to the extend that it does not conflict with Soviet policies.

Mr. President, I ask that a list of the names of Turkish diplomats and members of their families assassinated by Armenian Terrorists since 1973 appear in the RECORD immediately following my remarks.

The list follows:

NAMES OF TURKISH DIPLOMATS AND MEMBERS OF THEIR FAMILIES ASSASSINATED BY ARMENIAN TERRORISTS

1. Mehmet Baydar, Consul General of Turkey, January 27, 1973, at Los Angeles, USA.
2. Bahadir Demir, Consul of Turkey, January 27, 1973, at Los Angeles, USA.
3. Danis Tunaligil, Ambassador of Turkey, October 22, 1975, at Vienna, Austria.
4. Ismail Erez, Ambassador of Turkey, October 24, 1975, at Paris, France.
5. Talip Yener, Driver of Ambassador, October 24, 1975, at Paris, France.
6. Oktar Cirit, First Secretary-Turkish Embassy, February 16, 1976, at Beirut, Lebanon.
7. Taha Carim, Ambassador of Turkey, June 9, 1977, at Holy See.
8. Necla Kuneralp, Wife of the Ambassador of Turkey, June 2, 1978, at Madrid, Spain.
9. Besir Balcioglu, Retired Ambassador of Turkey, June 2, 1978, at Madrid, Spain.
10. Ahmet Benler, Son of the Ambassador of Turkey, October 12, 1979, at The Hague, Netherlands.
11. Yilmaz Colpan, Counselor for Tourism-Turkish Embassy, December 22, 1979, at Paris, France.
12. Galip Ozmen, Attache-Turkish Embassy, July 31, 1980, at Athens, Greece.
13. Neslihan Ozmen, Daughter of Mr. Ozmen, Attache, July 31, 1980, at Athens, Greece.
14. Dr. Resat Morali, Labor Attache of the Turkish Embassy, March 4, 1981, at Paris, France.
15. Tecelli Ari, Religious Affairs Official at the Turkish Embassy, March 4, 1981, at Paris, France.
16. Mehmet Yerguz, Official at the Turkish Consulate General, June 9, 1981, at Bern, Switzerland.
17. Cemal Ozen, Security Official at the Turkish Consulate General, September 24, 1981 at Paris, France. (During a raid on the Consulate where they also held 40 people as hostages for more than 10 hours).
18. Sarik Ariyak, Consul General of Turkey, December 16, 1981, at Sydney, Australia.
19. Engin Sever, Attache at the Turkish Consulate General, December 16, 1981, at Sydney, Australia.
20. Kemal Arikan, Turkish Consul General, January 28, 1982, at Los Angeles, U.S.A.
21. Orhan Gunduz, Turkish Honorary Consul General, May 4, 1982, at Boston, Massachusetts, U.S.A.
22. Erkan Akbay, Attache-Turkish Embassy, June 7, 1982, at Lisbon, Portugal.
23. Nadide Akbay, Wife of Mr. Erkan Akbay, June 7, 1982, at Lisbon, Portugal.
24. Atilla Altikat, Military Attache-Embassy of Turkey, August 27, 1982, at Ottawa, Canada.
25. Bora Suelkan, Attache, Turkish Consulate General, September 9, 1982, at Burghaz, Bulgaria.
26. Galip Balkar, Ambassador of Turkey, March 9, 1983, Belgrade, Yugoslavia.●

COMPASSION INTERNATIONAL

● Mr. ARMSTRONG. Mr. President, I recognize Compassion International. This is a 31-year-old Christian organization functioning in 32 nations of the world, with headquarters in Colorado Springs, Colo.

Compassion is the link between two important groups of people: children in desperate need and caring people who want to help. Child sponsorship brings these two groups together in a unique, one-to-one way. More than 65,000 needy children are sponsored through Compassion. Their sponsorship makes it possible for these needy children to attend school, it provides books and clothing, and meets their spiritual needs as well as physical, emotional and mental needs.

Compassion also works with family, church, and community leaders to improve and enrich the environment for children of poverty and helps needy communities recognize their opportunities and mobilize their resources to provide for the development needs of the children.

Other areas of ministry include providing nourishing meals for childern, bringing clean, safe water to thousands of needy people, providing crisis relief to those victimized by major disasters, and distributing medicines, vaccines, blankets and health products to many depressed areas of poor countries.

To increase awareness of the problems of the world and appeal to the private sector of America to get involved physically and financially, Compassion is sponsoring Project Compassion. This fall, two men from Colorado will be walking from Colorado to southern Florida and then proceed on to Haiti, to document the feelings and impressions of grassroots America about national and international suffering and help to alleviate some of the problems.

It is almost impossible to imagine a more worthwhile undertaking than the enormous task to which Compassion International has dedicated itself. I congratulate those who are providing leadership in this significant effort.●

BOSTON GLOBE ON NUCLEAR WEAPONS FREEZE

● Mr. KENNEDY, Mr. President, on May 7 the Boston Globe editorialized in support of the nuclear weapons freeze and reductions initiative, which the House of Representatives approved on May 4 and which is now before the Senate for consideration and action.

As the Globe points out, "each Senator will have to take a stand" on this proposal to negotiate a comprehensive and verifiable halt to the nuclear arms race. I commend the editorial to my colleagues, and I request that it be printed at this point in the RECORD.

The editorial follows:

FREEZE: SENATE AND THE FUTURE

Those who have worked so diligently, first to create a national arms-control constituency and then to force an evasive Congress to take a stand on the nuclear freeze resolution, can take great satisfaction both in the debate they stimulated and the result it produced.

With House approval, it's time now for the freeze movement to take a hard look ahead. Sens. Kennedy and Hatfield are about to lead the battle in the Senate; last year they had 17 cosponsors and this year they have 34. Some assume they can't win Senate approval this year, but the freeze movement is still growing, and sooner or later they will. Meanwhile, with an election year in the offing, each senator will have to take a stand.

It's true, of course, that even if the Senate passed a freeze, this Administration would ignore it. The main focus of the movement, therefore, should be to further elaborate its program of public education on national security, enabling more and more hitherto uninvolved citizens to draw their own confident conclusions. This way the movement will continue to gather force.

A critical choice is close at hand. In the immediate future Congress will be facing dozens of votes on a variety of nuclear weapons systems. Among the first of these will be a committee vote on flight testing of the MX missile, perhaps as early as the end of this month.

It is utterly unrealistic to think that every legislator who favored the freeze will oppose every nuclear weapons system. Freeze proponents therefore must begin to sharpen their aim, concentrating on some weapons and relegating others to a lower priority.

Many freeze organizers think they owe their success to date to the simplicity of the original proposition. They fear that if they delve into complexities and pick and choose among weapons they will lose their popular support. They overestimate the difficulty of choosing and underestimate the public.

The freeze movement need not stumble and split or lose its following, if it moves decisively to establish some convincing organizing principle beyond "enough is enough." The systems to attack are the ones which are most destabilizing, either in a crisis because they might invite or trigger a first-strike attack; or chronically because, over the long haul, they will defy efforts at

counting and make treaty verification impossible. The MX is one of these. So is the surface-launched cruise missile. So is the fast-attack Pershing 2. So is the SS20 and the SS18. So is counterforce doctrine. And so, when carried to absurd extremes designed to manage, survive and endure protracted nuclear wars, are command systems.

If the freeze heightens its focus on the stability of the nuclear balance, and not merely on numbers or newness of weapons, there's no reason the movement will lose its momentum or dull its cutting edge.●

FEDERAL INSECTICIDE, FUNGICIDE, AND RODENTICIDE ACT

● Mr. LEAHY. Mr. President, yesterday, two of our Nation's leading newspapers carried articles on the severe problems with pesticide registration data at the Environmental Protection Agency (EPA).

These articles clearly show that the Office of Pesticide Programs has not been diligent in its effort to insure that the public health and safety is protected. Nor has it allowed full and open public participation in the pesticide registration process.

Mr. President, a report released by the Agency itself yesterday found that 15 percent of all pesticides now registered were allowed on the market on the basis of faulty data.

This is an intolerable situation.

Millions of tons of pesticides and herbicides are applied in this Nation each year. These chemicals are in our food, our water, and in our ground.

The American people have a right to know whether these chemicals pose a danger. The Federal Insecticide, Fungicide, and Rodenticide Act, which controls the use of these chemicals, will be up for reauthorization this year.

I urge my colleagues to read these articles carefully and consider the need to reform FIFRA. We must make every effort to insure that the public is protected from chemicals that pose a threat to their health and safety and that their right of access to this information is preserved.

I ask that these articles from the New York Times and the Wall Street Journal be printed in the RECORD.

[From the New York Times, May 12, 1983]

EPA FAULTS TESTS ON 200 PESTICIDES

(By Philip Sharecoff)

WORK BY A LABORATORY INVOLVES CHEMICALS NOW ON MARKET

WASHINGTON, MAY 11.—A study by the Environmental Protection Agency has found that two-thirds of all tests conducted by a big private research laboratory to establish the safety of pesticides and herbicides now on the market are scientifically invalid.

The report, which took five years to prepare, finds that virtually all 212 pesticides and herbicides cleared by Industrial Bio-Test Laboratories of Northbrook, Ill., were subjected to at least one invalid test. Many of the pesticides and herbicides are in wide use, including Captan, Paraquat, Lasso, Machete, Orthene and Carbofuran.

Agency officials said the report raised what one on them called "big questions" about the chemicals tested by the company that are still on the market.

But the officials, who asked not to be identified, said the fact that the tests were invalid did not necessarily mean the chemicals posed a threat to human health or safety. It did mean, they said, that new information had to be obtained about the health effects.

The data produced by the laboratory were used by manufacturers to gain Government approval for marketing the chemicals.

The 212 chemcials represent 15 percent of all chemicals registered by the E.P.A., so the invalid tests of the Chicago laboratory could pose a significant problem. There are 44 chemical manufacturing companies involved, many of them major ones such as DuPont, Dow, Monsanto, Ciba Geigy, Olin, Velsicol, and Hercules.

The tests were conducted to see if the chemicals posed threats of cancer, birth defects, genetic damage or other health problems.

The environmental agency officials said the agency did not have authority under the Federal Insecticide, Fungicide and Rodenticide Act to order those chemicals that were not adequately tested off the market. That cannot be done until the agency has made a finding that use of the chemicals poses a risk of "unreasonably adverse effects."

ALL WE HAVE ARE QUESTION MARKS

"All we have now are question marks," an official said.

The officials remarked, however, that the flawed testing at least raised the possibility that some of the chemicals could present unknown hazards to public health.

The officials said they had not finished evaluating their findings about the Industrial Bio-Test data and did not know how much more information they would need. They said that where the invalid tests were crucial to the information needed to validate the safety of the substances, the chemcial manufacturers would be asked to submit new data in support of keeping them on the market.

Four former directors of Industrial Bio-Test are now on trial in Federal District Court in Chicago on charges of misrepresenting data used by the chemical manufacturers to obtain Government approval for the chemicals.

The 212 chemicals tested by the Chicago laboratory are being examined by the environmental agency in cooperation with the Government of Canada, where many of the pesticides and herbicides are also used. The Ottawa Government has refused to permit the use of 16 of the chemicals until questions raised by the Industrial Bio-Test problems are resolved.

The World Health Organization is also examining the implications of the invalid tests.

But the E.P.A. officials said that the fact that the chemicals were subjected to one or more invalid tests by Industrial Bio-Test did not necessarily present a serious problem. In many cases, there was a wide base of data from other sources that provided sufficient assurances of their safety.

On the other hand, even if past tests on chemicals were scientifically valid, it does not mean they were adequate, they said, explaining that new standards often required different tests.

A number of companies voluntarily submitted new data to the agency after the allegations about the laboratory were made public, the officials said.

FAULTY PROCEDURES CHARGED

The report says only that the tests were invalid because they failed to adhere to accepted scienfitic procedures. It does not address allegations brought at the Chicago trial that test results presented by the laboratory were fraudulent.

Government lawyers have charged that the company falsified such things as the number of deaths among test animals that were subjected to the chemicals.

The E.P.A. officials said they would have reviewed most of the chemicals tested by Industrial Bio-Test in their normal routine of administering the pesticide law. But their five-year concentration on the laboratory's tests was out of the ordinary, they said.

One official said the pattern of invalid tests found at the Chicago laboratory was "unprecedented" and had "shocked" toxicologists around the country.

The existence of the E.P.A. report was mentioned at the Chicago trial. A copy of it was given to a reporter who requested it.

[From the Wall Street Journal, May 12, 1983]

EPA TURNS UP SAFETY QUESTIONS IN PESTICIDE PROBE

(By Bill Richards)

MOST TESTING OF NALCO'S IBT IS THROWN OUT, AFFECTING NEARLY 15 PERCENT OF MARKET

WASHINGTON.—The Environmental Protection Agency is completing a study that raises questions about the safety of nearly 15 percent of all the pesticide chemicals approved for use on the U.S. market.

According to EPA documents, the agency has invalidated 737 of the basic laboratory safety studies involving more than 200 pesticide chemicals tested by Industrial Bio-Test Laboratories Inc., a unit of Nalco Chemical Co., Oak Brook, Ill. Most of the tests were done during the 1970s for 44 chemical companies and concerned a variety of possible health problems that the chemicals could cause, including cancer, birth defects and reproductive hazards.

Industrial Bio-Test halted its commercial testing in 1978 after federal investigators questioned the validity of some of the laboratory's results. Four former IBT officials, including its founder and former president, Joseph C. Calandra, are currently on trial in federal court in Chicago on several criminal charges arising from the federal investigation. No charges have been filed against Nalco, although the chemical company, which bought IBT in 1966, said last week that it had set aside a $23 million reserve to cover the discontinuance of IBT's operations, including the settlement of several civil lawsuits against the lab. The reserve was set aside in 1978, and at the end of 1982, $12 million was added to the remaining reserve.

In the trial, Phillip Smith, a former IBT technician, has testified that officials of the laboratory falsified data in studies on TCC, an anti-bacterial agent widely used in deodorant soaps. Federal officials said later tests showed the material to be safe at levels used in soap products.

The EPA study, which is scheduled to be released late next month, is the first broad effort to determine the extent of the problems associated with the flawed IBT tests. In the study, investigators found invalid data used to support a number of widely used products such as Monsanto Co.'s herbi-

cides Roundup and Lasso, Chevron Chemical Co.'s Captan and FMC Corp.'s Furadan. Chevron is a subsidiary of Standard Oil Co. of California.

"The fallout from this single testing laboratory is quite broad," said Edwin L. Johnson, the EPA's director of pesticide programs. "We found ourselves in a position where we had a large hole in our judgment base because of the suspicious data."

In addition to testing for the EPA, a number of tests run by IBT were also submitted by drug manufacturers to the Food and Drug Administration. An FDA spokesman said yesterday that while nearly 200 major IBT tests were rejected by the agency, there were studies from other labs so that the agency didn't have to pull any drugs off the market.

The EPA study says IBT performed 1,205 major animal studies that chemical company clients submitted to the environmental agency in support of putting their pesticides on the market. About 66% of the studies have been thrown out as invalid by the EPA, with another 170 studies still being reviewed. The EPA study says only 19% of the IBT studies were judged acceptable.

Mr. Johnson and other EPA officials cautioned, however, that not all the pesticides may be lacking a valid scientific base, because the EPA may also have validation studies performed by other laboratories. The supplementary data hasn't been compiled yet, said Mr. Johnson, but it is expected to be included in the EPA's final report next month. Mr. Johnson declined to estimate how many pesticides on the market rest on tainted IBT data alone, but he said, "It's enough to make me uncomfortable."

None of the pesticides with invalid IBT tests has been withdrawn from the market, Mr. Johnson said. Under federal rules he said the pesticides can stay on the market until their makers retest them. If they are found to be harmful, proceedings can be started to remove them. Mr. Johnson said only a handful of retests have been completed, although a number of others are either under way or are being evaluated by the EPA.

Canada, which is jointly testing some IBT pesticides with the EPA, has taken two products, allidochlor and chlorbromuron, off the shelf. Canadian health officials also have recommended warning labels on 24 other pesticides until follow-up studies are done to replace the IBT tests. Information from the Canadian tests was incorporated into the EPA's report, agency officials said.

According to the Canadian reports, one widely used pesticide—Captan—was found to cause cancers in mice during follow-up tests. The health protection branch of Canada's agriculture agency, which has jurisdiction over the retesting of IBT studies in Canada, reported that studies by the U.S. National Cancer Institute and Chevron Chemical, a major manufacturer of Captan, "clearly demonstrated the induction of tumors in the small intestine of mice at high doses of Captan" and that the studies couldn't determine a "no-effects' minimum level at which the chemical didn't produce tumors.

Spokesmen for Chevron and several other chemical companies involved in IBT tests defended their products yesterday and said many were either already retested or being retested. A Chevron spokesman said his company had spent "in the millions" redoing many of the 156 major chemical tests Chevron commissioned from IBT since the early 1960s.

"Based on our retesting programs," the spokesman said, "we feel confident that Chevron products in question do not pose an unreasonably adverse affect to man or the environment when used according to the label instructions."

Monsanto said it had completed tests on both Roundup and Lasso, two of the 11 pesticides the company tested with IBT. "We see no data gaps, and we feel confident the data are adequate to support registration by the EPA," a spokesman said. he added that the other pesticides are also being retested in studies that could take two or more years to complete.●

ARKANSAS' SMALL BUSINESS MAN OF THE YEAR

● Mr. PRYOR. Mr. President, Arkansas' Small Business Man of the Year, Dr. Steven K. Wilson, of Fort Smith, had the wind taken out of his sails by his own son after the announcement of his selection for the honor. For when son Henry was told about his dad's sudden celebrity status as Small Business Man of the Year, son replied, "That's nice, dad, how tall are the rest of the them?"

But I can assure you that Dr. Wilson is not small in the eyes of the business community in Arkansas. A full-time urologist, Dr. Wilson also finds time to manufacture rolled glass, operate two restaurants, and participate in area restoration projects.

Founded in 1974 as a single retail store, Merry-Go-Round Glass in Fort Smith, began manufacturing rolled glass in 1978. The firm entered international markets that year and competed successfully in a stained glass market long dominated by its European originators. Sales have increased almost sevenfold to $3.38 million in 4 years, making it the fourth largest manufacturer of its kind. More than 30 franchises across the country offer stained glass supplies and classes.

His restoration of six buildings in the historic Belle Grove area of Fort Smith led him into the restaurant business. Wilson took over the operation of a restaurant, named it Tomfoolery, and quadrupled its previous sales in the first year. Wilson opened another restaurant, the Packet House, a graciously restored mansion, in Little Rock late last year.

Mr. President, Dr. Steven Wilson, typifies the aggressive spirit that exists among Arkansas businessmen and I want to join in the observance of Small Business Week by paying tribute to this native son.●

ESTATE TAX RELIEF

● Mr. JEPSEN. Mr. President, I express my strong support for the estate and gift tax provisions of the Economic Recovery Tax Act of 1981. These provisions have benefited farmers and small businessmen and women. They are of special importance to farm wives who have long worked as partners on the family farm. The change in estate tax provisions was one of the most important features of the 1981 act.

Excessive estate taxation had become discriminatory and extremely counterproductive. Because the very wealthy can often minimize the impact of estate taxation by sophisticated tax planning, the incidence of the tax was largely regressive, falling heaviest on relatively small estates, especially small businesses and farms.

The tax also encouraged older farmers and businessmen to sell out to large corporations and use the money to buy liquid investments. Excessive estate taxation had imposed a heavy burden on dynamic and successful business judgment and investment by closely held businesses.

The tax rates imposed by law were bad enough, but inflation caused bracket creep pushed by the tax take to almost confiscatory levels. As a result, many of the best and most productive farms and businesses were liquidated or dismembered.

Moreover, by undermining or even destroying farms and small businesses, the previous tax promoted economic concentration. It hindered accumulation of capital by farms and small businesses and thus insulated, to some extent, larger corporations from competition.

In addition, the tax discouraged savings and capital formation needed for a strong economy. Overall, the tax created many problems, and few, if any, benefits. Consequently, the Economic Recovery Tax Act of 1981 included sections which provide estate tax relief for many Americans. The tax rates are cut and the unified credit is increased over several years.

These changes in the estate tax will greatly benefit farmers and small businessmen, along with their wives and families. Fewer farms and businesses will be broken up or sold to meet estate tax liabilities. Wives and other family members will not have their grief compounded by tax problems.

Now, I understand that there are some here in Congress—supporters of the tax-and-spend school of Government—who are determined to prevent full implementation of estate tax relief. They want to renege on our commitment to make estate taxation less destructive.

I will oppose any effort to dilute enacted estate tax relief, whatever form it takes. For this reason, I am supportive of the resolution expressing the sense of the Senate that the ERTA tax changes not be tampered with.●

WHY WE MUST REMEMBER THE ARMENIAN GENOCIDE

● Mr. DODD. Mr. President, April 24 marked the 68th anniversary of the

start of what was to become the first genocide of the 20th century. On April 24, 1915, the Ottoman Empire began the process of eliminating the Armenian people from Turkey by arresting and killing the leaders of the Armenian community.

From May until October 1915, the government of the Ottoman Empire exterminated well over 1 million Armenian men, women, and children, through forced marches, starvation, and outright slaughter. The purpose of this policy was stated plainly enough at the time by the young Turkish Government: To expel or to kill everyone and everything non-Turkish from the provinces that are now called eastern Turkey, but which had been Armenia for thousands of years. A member of the Ottoman government said at the time: "The best way to finish with the Armenian question is to finish the Armenians."

The goal of the Turkish Government was to insure that Turkish-held Armenia would never be separated from the Ottoman Empire. The Armenians resisted when they could. In 1917, after the Russian armies left the Caucasian front, what was left of the Armenians fielded a volunteer force which kept the oilfields of Baku from Turkish occupation, an achievement which clearly had an effect on the German war effort. After the defeat of the Central Powers in World War I, a republic of Armenia was established; but it was destroyed by a joint Turkish-Soviet attack in 1920. The facts are plain: The Armenian people were systematically uprooted and ruthlessly eliminated from their homeland. As Winston Churchill put it, this horrible crime "was about as complete as such an act, on a scale so great, could well be."

Why revive the memory of such terrible events? For one thing, the U.S. State Department has been less than careful to keep the facts straight about this thoroughly documented atrocity. In August 1982, the State Department published a footnote to a paper on terrorism which referred to the historic record of the events in Asia Minor in 1915 as "ambiguous." If this is an example of the State Department's scholarship, we are in deep trouble.

There have indeed been incidents of terrorism by Armenians against Turkish diplomats in recent years. These incidents must be deplored. They must be resisted, and the perpetrators apprehended and prosecuted. But to recall the fact of the Armenian genocide is not to condone terrorism of any sort. Indeed, it is only by remaining mindful of the crimes and mistakes of the past that we can effectively avoid repeating them in the future. Of all people, it was Adolf Hitler who most clearly reminded of this fact. When Hitler told his cronies that he intended to exterminate the Jews, Gypsies, and the other non-Aryan peoples he despised, someone dared to suggest the world would not tolerate such a vast crime. Hitler then sneered perhaps the most chilling question of the 20th century: "Who still talks nowadays of the extermination of the Armenians?" The United States should respond to this and all similar questions, with a resounding condemnation of the crimes of the past, and with determination that genocide must be eliminated forever as something which a government could even consider as a means of extending its power.

In the Washington Post on Sunday, April 24, a survivor of Auschwitz made the point. It is fitting to close my remarks on this theme with the words of Allen Kiron "Look and ponder; learn and pray/Above all, remember well/ that silence and indifference/fuel the fires of living hell."●

SOIL STEWARDSHIP WEEK

● Mr. JEPSEN. Mr. President, this week, May 8 through May 15, has been celebrated across the country as Soil Stewardship Week. In churches and other places of worship, in civic centers, in educational settings, and in conservation districts, many are giving thanks and observing the 27th year of special appreciation for the soil and water resources of this Nation.

Every year since 1955, the National Association of Conservation Districts, in cooperation with the 3,000 local conservation districts throughout the Nation, has sponsored Soil Stewardship Week. This year's theme, "Living Waters," was chosen to emphasize concern over the quality and quantity of our water resources.

This comes appropriately at a time when the state of our soil and water resources has deteriorated significantly and when many are predicting that the future availability of those resources is in doubt.

Nonetheless, in my home State of Iowa and in other States, the public is participating in programs that will contribute to our overall respect for natural resources. I commend the National Association of Conservation Districts and all conservation districts for sponsoring and promoting these efforts. Additionally, I take particular pride in noting Iowa's Natural Heritage Foundation's soil stewardship program.

The soil stewardship program is a major coordinated effort to involve the private sector in soil conservation. It is the first project of its kind in the Nation, begun primarily because Iowans have such an appreciation for the land. Unfortunately, Iowa also has the highest soil erosion rate of any State in the Nation. Although Federal efforts have helped considerably, Iowans feel that involving the individual farmer, private organizations, and agribusiness is the only way a concerted and effective soil erosion control program can work.

As noted by the sponsors of the program, "Our soil erosion problem is so great that it must be viewed as everyone's responsibility. We must all share the stewardship of our land and water, and not simply wait for Government to act. Government programs will continue to be important, and deserve support from everyone's tax dollars. But it is also important that those who benefit from Iowa's intensive grain production be enlisted to assume special responsibilities."

It is in Congress with this spirit that I would like to close with a thought from Aldo Leopold, noted naturalist from Burlington, Iowa, and author of "a Sand County Almanac," among other works:

> We shall never achieve harmony with land any more than we shall achieve justice or liberty for people. In these higher aspirations the important thing, is not to achieve, but to strive. It is only in mechanical enterprises that we can expect that early or complete fruition of effort which we call "success." (Aldo Leopold, Conservation, from "Round River: The Journal of Aldo Leopold," 1953.)●

SOVIET ESPIONAGE ACTIVITIES

● Mr. D'AMATO. Mr. President, I rise this afternoon to voice my concern over Soviet espionage activities. During recent weeks, we have witnessed the expulsion of Soviet diplomats from a score of nations. These individuals, hiding under the cloak of diplomatic immunity, have been engaged in an extensive espionage campaign stimulated by a desire to acquire high techology. The Soviets have become increasingly dependent upon these covert acquisitions. While the Soviets have displayed a desire for a wide variety of technology, they have placed particular emphasis on any high-technology secrets which have possible military application.

Judge William Webster, Director of the Federal Bureau of Investigation, recently revealed that nearly 40 percent of the 3,000 East European diplomats in this Nation are involved in operations designed to transfer our military and industrial secrets to Moscow and the capitals of other Communist states. The theft of these secrets poses a clear threat to our national security. It is imperative that the governments of the West develop a comprehensive strategy to combat Soviet espionage.

I encourage my colleagues to read the article by Nicholas Daniloff which recently appeared in U.S. News & World Report. I ask that it be printed in the RECORD.

The article follows:

[From U.S. News & World Report, May 9, 1983]

WHY RUSSIANS WILL GO RIGHT ON SPYING

(By Nicholas Daniloff)

Moscow—The recent mass expulsion of Soviet spies by Western nations may have put a temporary dent in Moscow's espionage network, but the Kremlin has no intention of abandoning its effort to steal secrets from other countries.

Reason: Russia badly needs advanced military and industrial technology. And under Soviet leader Yuri Andropov, who headed the KGB intelligence service for 15 years before rising to this nation's No. 1 position in November, 1982, the Kremlin has the manpower and determination to take from the West the knowledge that its own scientists cannot provide.

After the U.S. expelled three Russians for spying in late April, Director William Webster of the Federal Bureau of Investigation estimated that up to 40 percent of 3,000 Soviet-bloc diplomats in America are trying to ferret out military and industrial secrets.

A LENGTHENING LIST

The U.S. expulsions were the latest in a series of incidents this year, mostly in Western Europe, that resulted in the eviction or arrest of more than 60 Soviet diplomats, officials and other Russians on charges of espionage.

France kicked out 47 Soviets in early April, the largest expulsion since 1971 when Britain ordered out 105 Russians. Other Soviet agents have been caught by Britain, West Germany, Denmark, Spain, Australia, Belgium, Switzerland, the Netherlands and Italy.

Sweden recalled its ambassador to Moscow when a government commission accused the Soviets on April 26 of operating six submarines in Swedish waters last October—a year after indignant Swedes discovered a Soviet submarine stranded in a snooping mission near a restricted Swedish naval base.

Western officials deny that the crackdown is a coordinated effort. But they concede that they keep each other informed of moves against Soviet agents and that the purge signals a tougher reaction to Soviet efforts to close an information gap through thievery.

Espionage gives the Soviet Union a relatively cheap, low-risk means to catch up in high-stakes competition.

Soviet science does well in theoretical mathematics, physics, seismology, astrophysics and oceanography and has made big gains in metallurgy, space exploration and nuclear-power generation.

But the Soviets trail in development of such military-related items as advanced computers and lasers. They also lag in cybernetics, microbiology, psychiatry and in some areas of medicine. They need modern oil-extraction equipment and agricultural aids.

The U.S. warned its European trading partners only last month that Western security was being eroded by Moscow's underhanded drive to obtain sensitive technology. A report by the Central Intelligence Agency says that illegal technology transfers are saving the Kremlin billions of research dollars and shortening the time needed to develop new military systems.

High-technology secrets taken from the West by spies and through illicit trade channels have helped Moscow improve its nuclear missiles, develop new aircraft and perfect stronger, lighter materials for its weapons.

For the past decade, Soviet planners also have counted on stolen scientific knowledge to help boost output from Soviet factories and farms in an effort to revive a seriously ailing economy.

Soviet agriculture, a virtual basket case, provides one illustration of how a technology gap has spurred Moscow to seek information by illicit means.

After years of mismanagement, Russia is chronically dependent on imports to feed its people and livestock. Such purchases, many from the U.S., take a quarter of the economy's hard currency.

Moscow, therefore, needs early and accurate forecasts of crop yields as it juggles limited resources. But crop predictions lag because secretive military operators of Soviet reconnaissance satellites are slow to free their pictures for nonmilitary purposes. As a result, the KGB orders its agents in Washington, many operating as diplomats, to seek data gathered by U.S. satellites that give speedy reports on Soviet crop prospects.

Why is Russia behind in technology? A major reason is that bureaucratic inertia hampers the growth of a Soviet project from conception to reality.

One Soviet scientist explains: "To get an idea into production, you must get the support of your boss. But he may withhold it because he did not think of the idea. If you go over his head, you may harm your career."

FRESH TWIST

According to another scientist, the Kremlin now is trying to encourage innovation through rewards and prizes. Yet difficulties abound. "Not least of these," he says, "is that a factory may be told to produce a new product, but not be relieved of its duty to fulfill its previously assigned plan."

Some Russians trace such attitudes back to the Stalin regime, which pooh-poohed the importance of significant branches of modern science.

But under Andropov, a demand for more potent military forces to counter the U.S. has spurred the emphasis on technology. Another critical need is to overhaul the staggering economy.

Western nations are under no illusion that kicking out a few spies will have a lasting effect on Soviet behavior. The Kremlin has too much technological ground to make up and limited means for doing so. Red-faced though Soviet leaders may be for a time over expulsion of their spies, Moscow still is certain to persist in its illegal hunt for Western discoveries and innovations.●

SOIL STEWARDSHIP WEEK

● Mr. HELMS. Mr. President, the National Association of Conservation Districts, in cooperation with the Nation's nearly 3,000 conservation districts, is sponsoring Soil Stewardship Week May 8-15, 1983. This has been an annual observance since 1955, and focuses national attention on the stewardship of our natural resources. The theme of this year's observance is "Living Waters."

The National Association of Conservation Districts (NACD) represents the Nation's nearly 3,000 conservation districts. Each conservation district is a local unit of government established for the special purpose of developing and directing soil and water conservation programs aimed at helping owners and users of non-Federal lands. Conservation districts assess conservation problems on the local level, set priorities for conservation work to be done and coordinate Federal, State, and local resources to carry out the programs.

NACD provides information and support services to aid its member conservation districts in the conservation, orderly development, and wise use of the Nation's natural resources. USCD represents the conservation districts at the national level.

Soil Stewardship Week, as sponsored by NACD, is carried out through church, civic, and educational groups to encourage good stewardship of our land and water resources. The theme of this year's observance, "Living Water," brings attention to the essential role of water in sustaining life and the responsibilities we all share in preserving this vital resource. Though we cannot destroy water, we can abuse, pollute, and misuse it, making it a curse rather than a blessing. It is ours to use, to enjoy, to keep clean, and to appropriate wisely so that is will give life to all it touches.

I would like to take this opportunity to applaud the efforts of the NACD, and each local conservation district, not only for this 1 week of special observance, but for their services and commitment to the Nation's resources throughout the year.●

SMALL BUSINESS WEEK

● Mr. GLENN. Mr. President, I am pleased today to cosponsor this resolution designating May 8-14 as Small Business Week. It is only fitting that we set aside 1 week annually to recognize the achievements of people who, for 52 weeks each year, immeasurably enhance the quality of life in this country by providing jobs, paying taxes, creating innovative products, supporting charities and building communities.

Unfortunately, this is an extremely difficult time for many small business owners who remember 1982 as the worst year since the Depression. According to Dun & Bradstreet, annual business failures increased 49 percent last year over 1981, and that statistic tells only part of the bleak story. For each of the 25,346 failures that involved losses to creditors, it is estimated that an additional 6 to 10 small businesses simply paid their bills and closed.

Recession and high interest rates, the twin killers of economic prosperity, have combined to push small businesses to the wall. Many of these entrepreneurs have been pushed not just to the wall, but off the ledge to bankruptcy. The situation is desperate—not just for the small business operators

struggling to pay their employees and their bankers, but also for the millions of Americans who depend on small businesses for reasonably priced, high-quality products in their everyday lives.

We cannot allow the deteriorating position of small business to continue. We need a well-coordinated Federal policy to control the disturbing number of small business bankruptcies and unleash the awesome potential economic power of America's estimated 14 million small businesses. We need to do this to make the best possible use of the brainpower, training, experience and desire represented by small business people who ask nothing more than a fair opportunity to test their ideas in the marketplace.

Just as small business cannot succeed without free enterprise, so free enterprise cannot succeed without small business. Statistics tell much of the story: Small and independent businesses account for 97 percent of all businesses; 40 percent of gross national product; and 50 percent of all major innovations and new technologies.

At a time of heavy unemployment, we must be particularly impressed by some estimates that small businesses account for more than 80 percent of all new jobs created in this country. From jet engines to zippers, from insulin to air conditioning, from penicillin to ballpoint pens, small businesses have demonstrated the creativity to develop new products that make life healthier, more prosperous and more comfortable.

Without being inclusive, I want to discuss some of the areas in which thoughtful congressional action could help small business.

These firms need ready access to available capital and they need it quickly. Capital needs vary from firm to firm. Some need short-term working capital and others require long-term funds to build plants or purchase equipment. Small business owners seeking financing are understandably concerned, as I am, by reports that Federal budget deficits under this administration will run dangerously close to $200 billion.

Deficits that high will force the Federal Government to borrow huge sums, driving up interest rates and making it impossible for small businesses to acquire the needed capital. Congress must act prudently to reduce the size of the projected deficit. I do not mean the meat-ax approach pursued by this adminstration that hurts those in genuine need, but rather a carefully tailored program of responsible cuts. This strategy, combined with responsible action by the Federal Reserve System, can help force down interest rates. At the same time, we must take the necessary, but politically painful, steps of eliminating both the third year of the tax cut and the schedule Federal income tax indexing in order to generate more revenues and reduce the size of the deficit.

My commitment to help small businesses obtain the capital they need is not new. In the past few years, for example, I have cosponsored the Capital Cost Recovery Act to liberalize depreciation schedules; and the Pollution Control Financing Act to increase the amount of low-interest money available to smaller firms to design, install and finance pollution control equipment.

One of the most creative capital formation proposals before the Congress this year would launch the Small Business Participating Debenture for firms hoping to expand. By using the SBPD, a cross between a stock and a bond, small business owners could retain total control of their operations while receiving much needed low cost, external capital.

I strongly support this concept as a means to create new jobs and thus increase the flow of tax revenues to the U.S. Treasury.

The Small Business Participating Debenture is a fine example of Government listening to the informed voice of small business and then acting responsibly. Congress can do more to restore the tarnished image of the Federal Government in the eyes of many business owners. With that goal in mind, I cosponsored the Delinquent Payments Act of 1981 to require the Federal Government to pay its bills on time. Many Federal agencies were dragging their feet, forcing businesses to absorb the cost associated with the Government's slow-pay practices. I also cosponsored the Small Business Innovation Act of 1981 to require Federal agencies to earmark 1 percent of their total research and development budgets for small business.

This year, I have cosponsored S. 44 to establish national uniform product liability rules. Currently, no two States have the same product liability laws. The inevitable result is confusion. Because this problem is national in scope, I support this effort to develop a national solution.

Individual pieces of legislation, however, cannot solve all the problems. The voice of small business will remain forever muffled in the highest reaches of national policymaking until its spokemen and spokewomen are included as members of the many advisory committees formed in the Nation's Capitol.

Too often, it seems, membership in Fortune's 500 is the required license to serve on these advisory bodies. Small businesses, for example, are labor-intensive and therefore contribute a disproportionately high share of payroll taxes to finance social security. Yet all the business members on the National Commission on Social Security represented giant financial and industrial interests. This kind of imbalance should never occur again. We must also maintain and strengthen the Small Business Administration as an independent agency with an increased role for the Office of Advocacy. To guarantee that the voice of small business is heard in the White House, I recommend the appointment of a special adviser to the President on small business matters.

We must also take positive steps to promote small business sales in international markets, a largely untapped source of new revenues and new jobs. Small businesses need help from the Federal Government to understand the intracacies of exporting. Specifically, they need timely marketing information at reasonable cost.

I cosponsored the Export Trading Company Act to make financing available to small business for export purposes because now less than 1 percent of this country's manufacturing firms account for 80 percent of all exports. Our small businesses can sell overseas, if given some assistance, but much more needs to be done in this field. The Export-Import Bank should make greater efforts to finance small business sales and our Special Trade Representative should act to insure greater participation of small businesses in foreign trade discussions.

These recommendations do not constitute a comprehensive program but they do reflect a fundamental principle of my economic policy: We must promote small business as a national priority not just because it is a matter of economic justice, but because it is a matter of economic survival for our free enterprise system. By fashioning a coordinated policy for small business, we demonstrate our faith in the managerial skills, innovativeness and commonsense of millions of men and women, who, together, represent the engine of American economic growth. It is time we recognize that small is not inferior and that bigger is not necessarily better. By designating May 8-14 as "Small Business Week," we recognize the excellence of the contributions that small businesses make to the lives of our communities and the prosperity of our Nation.●

ORDER OF BUSINESS

Mr. BAKER. Mr. President, I have a series of unanimous-consent requests that appear to be cleared on both sides, and I would like to state them now for the consideration of the minority leader and other Senators.

ORDER FOR ADJOURNMENT UNTIL MONDAY, MAY 16, 1983

Mr. BAKER. Mr. President, as I indicated earlier, it is not my intention to ask the Senate to be in tomorrow.

Therefore, I ask unanimous consent that when the Senate completes its business today it stand in adjournment until the hour of 12 noon on Monday, May 16.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

ORDERS FOR MONDAY, MAY 16, 1983

Mr. BAKER. Mr. President, I ask unanimous consent that when the Senate convenes on Monday, May 16, 1983, the reading of the Journal be dispensed with, no resolutions come over under the rule, the call of the calendar be dispensed with, and following the recognition of the two leaders under the standing order, there be a special order in favor of the Senator from South Carolina (Mr. THURMOND) and the Senator from Connecticut (Mr. WEICKER), for not to exceed 15 minutes each, to be followed by a period for the transaction of routine morning business not to exceed 30 minutes in length, with Senators permitted to speak therein for not more than 5 minutes each; and provided further that the morning hour be deemed to have expired.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF NOMINATION OF WILLIAM D. RUCKELSHAUS TO BE ADMINISTRATOR OF THE ENVIRONMENTAL PROTECTION AGENCY ON MONDAY NEXT

Mr. BAKER. Mr. President, also as I indicated earlier, it is my hope that we can go to the Ruckelshaus nomination which has been reported from the Environment and Public Works Committee, which is on the calendar, and I will put now a request as in executive session:

Mr. President, I ask unanimous consent that on Monday, May 16, at 1 p.m., the Senate go into executive session to consider the nomination of William D. Ruckelshaus, of Washington, to be Administrator of the Environmental Protection Agency and it be considered under the following time agreement: Two hours on the nomination to be equally divided between the chairman of the Environment and Public Works Committee and the ranking minority member, or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO NOMINATION OF ALFRED S. REGNERY TO BE ADMINISTRATOR OF OFFICE OF JUVENILE JUSTICE AND DELINQUENCY PREVENTION

Mr. BAKER. Also as in executive session, Mr. President, a matter that I believe is cleared on both sides.

I ask unanimous consent that, at 10 a.m. on Tuesday, May 17, the Senate go into executive session to consider the nomination of Alfred S. Regnery, of Virginia, to be Administrator of the Office of Juvenile Justice and Delinquency Prevention and it be considered under the following time agreement: 1 hour on the nomination to be equally divided between the chairman of the Judiciary Committee and the ranking minority member or their designees.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTING PROCEDURE NEXT WEEK

Mr. BAKER. Mr. President, I have another request. I indicated earlier that it would be my intention to ask the Senate to stack votes on Monday.

I now ask unanimous consent that any rollcall votes ordered on Monday, May 16 and Tuesday, May 17, prior to the hour of 2 p.m. on executive nominations as in executive session, amendments, and relative motions regarding S. 529, the immigration bill, be postponed to begin at 2 p.m. on Tuesday, May 17, to occur in sequence.

Mr. BYRD. Mr. President, reserving the right to object, would the majority leader provide a little time between each vote for an explanation of the amendment?

Mr. BAKER. Yes, Mr. President, I think that is a good idea. I modify the request so that there would be 5 minutes, equally divided, for discussion of the measure prior to the stacked votes.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE IMMIGRATION BILL

Mr. BAKER. Mr. President, there is one other unanimous-consent request that I would like to propound which is going through the clearing process in respect to time for final passage on Tuesday of the immigration bill. As soon as that is cleared, I believe that will complete our requests at this time.

I am now told by the minority leader that has been cleared. Let me say before I put the request that I believe ample time has been provided for final disposition of the immigration bill, which I fully support. But I can assure the minority leader and the managers of the bill on both sides that if there are difficulties with it, I will join in an effort to make sure nobody gets cut out or there is not a compression of time that would prevent us from having a further debate on the issues.

Mr. President, I ask unanimous consent that, after the close of the time for the transaction of routine morning business today, the Senate proceed to the consideration of Calendar Order No. 98, S. 529, the immigration bill.

Mr. President, I further ask unanimous consent that the Senate resume consideration of the immigration bill following its return from executive session on Monday as previously ordered.

I further ask unanimous consent, Mr. President, that final passage on the immigration bill, S. 529, occur not later than 10 p.m. on Tuesday, May 17, and that paragraph 4 of rule XII be waived.

Before the Chair puts the request, since this was done in bits and pieces, may I inquire of the Chair, is there an order, as I believe I recall, that the Senate would go into executive session on Monday for not more than 2 hours of debate on the Ruckelshaus nomination?

The PRESIDING OFFICER. There is.

Mr. BAKER. And the request I have just put is that when the Senate returns to legislative session after consideration of the Ruckelshaus nomination on Monday the Senate would resume consideration of the immigration bill?

The PRESIDING OFFICER. The Senator is correct.

Mr. BAKER. I put the request.

The PRESIDING OFFICER. Is there objection? Hearing no objection, it is so ordered.

Mr. BYRD. Mr. President, does the majority leader include in the carrying over of votes for Monday to Tuesday a rollcall vote on the Ruckelshaus nomination?

Mr. BAKER. Yes, Mr. President, I believe that was included. I do not have the papers in front of me, but I believe that was included. I inquire of the Chair if his understanding is the same as mine.

The PRESIDING OFFICER. That was included.

Mr. BAKER. It was included?

The PRESIDING OFFICER. It was included.

Mr. BAKER. That votes ordered on Monday would include the Ruckelshaus nomination, if a vote is ordered on it, to occur on Tuesday?

The PRESIDING OFFICER. The Senator is correct.

Mr. BYRD. Mr. President, I ask the majority leader, the only exception is with reference to a possible rollcall vote to have the Sergeant at Arms arrest Members or compel their attendance?

Mr. BAKER. Mr. President, I modify my request so that votes ordered on Monday, with the exception of votes to require the attendance of absent Senators or other procedural motions, will be stacked to occur on Tuesday, as previously ordered.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAKER. Mr. President, I believe that completes the list of requests that I have to make.

Mr. BYRD. The majority leader does not mean, "by other procedural motions," a motion to table.

Mr. BAKER. Only in respect to attendance of the absent Senators.

Mr. President, I have no further need for time in morning business. I know the Senator from Arizona is anxious to get to the immigration bill, as

is the Senator from Massachusetts and the Senator from Wyoming.

If anybody seeks time for the transaction of routine morning business, this is the time, or if we finish the immigration bill and there is further demand for morning business, I will be glad to provide for it.

I ask the Chair to inquire if there is further morning business.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

IMMIGRATION REFORM AND CONTROL ACT OF 1983

The PRESIDING OFFICER. The clerk will report S. 529.

The assistant legislative clerk read as follows:

A bill (S. 529) to revise and reform the Immigration and Nationality Act, and for other purposes.

The Senate resumed consideration of the bill.

Mr. SIMPSON. Mr. President, I do very much appreciate the efforts of the majority leader and the minority leader in the very excellent resolving of the situation so that we might proceed with the immigration reform legislation.

I express my deep personal appreciation to Senator BYRD and other Senators for their continuing accommodation with this Senator with regard to this very complex legislation we are resuming from last Tuesday. I also thank Senator KENNEDY's willingness and want to proceed. He has been more than accommodating not only this year but last year also. Indeed, we are very appreciative of that.

As we proceed with this legislation, Senator KENNEDY and I will be present to deal with the bill. The votes ordered will be stacked for later voting, but we will be here for a full day of debate. If Senators will, please bring their amendments to the Chamber.

I believe Senator DECONCINI wants to lay down his amendment.

The PRESIDING OFFICER. The DeConcini amendment is pending.

Mr. DECONCINI. Mr. President, I am shortly going to ask unanimous consent that that amendment be modified. Let me explain what the modification is.

In the course of the last week or so as we have been struggling on the budget, there have been negotiations with the office of the Senator from Massachusetts, the office of the Senator from California, and the office of the chairman and his staff, and we have come to a slight modification. It still provides for a 3-year transition, plus an additional 6-month period for the H-2 workers provision to be implemented for a partial certification.

AMENDMENT NO. 1220, AS MODIFIED

Mr. DECONCINI. Mr. President, at this time I send a modification to the desk and ask that my amendment be so modified.

The PRESIDING OFFICER. The amendment will be so modified.

The amendment, as modified, is as follows:

On page 184 of Committee Print No. 1, add the following new section:

"SEC. 214. (a) The Attorney General, in consultation with the Secretary of Labor and the Secretary of Agriculture, shall promulgate rules and regulations for the implementation of an agricultural labor transition program. The program shall be effective on the first day of the sixth month beginning after the date of enactment of this Act and shall last three years from the effective date.

(b) During the first year of the transition program, an agricultural employer, except as provided in subsection (c), (d), and (e) below, may, as provided by regulation, employ up to 100 percent of his seasonal agricultural worker need with transitional workers. During the second and third years of the program, the employer may employ up to 67 percent and 33 percent respectively, of his seasonal agricultural worker needs with transitional workers.

(c) Nothing in this section shall permit transitional workers to replace available U.S. workers or legal foreign workers admitted under the Immigration and Nationality Act.

(d) All workers employed under the provisions of this section shall be fully protected by all federal and state laws and regulations governing the employment of U.S. migrant and seasonal agricultural workers.

(e)(1) An undocumented alien in the United States shall be eligible to be a transitional worker under the provisions of this section if the person is employed or has been employed as a seasonal agricultural worker in the United States for at least 90 days during a period of time after January 1, 1980.

(2) An undocumented worker shall not be eligible to be a transitional worker and may not be registered under this section if the person is deportable for any reason other than those described in section 241 (a)(2) and (9), or on the basis, under section 241 (a)(1), of being excludable at the time of entry under paragraph (19) (20), or (26) of section 212(a). Only persons employed as transitional workers and registered as such by the Attorney General during the first year of the program shall be eligible during the second and third years.

(f) To employ transitional workers under the provisions of this section, an agricultural employer must—

(1) notify the Attorney General of said, employer's intention to participate in the transition program within 12 months from the effective date of this Act section, and

(2) provide to the satisfaction of the Attorney General a numerical count of the numbers of seasonal agricultural workers employed during the immediately preceding 12 month period by said employer.

(g) After an employer begins participation in the agricultural labor transition program the employer shall provide, upon request, to the Attorney General a numerical count of the number of transitional workers employed and the total number of seasonal agricultural workers employed by said employer.

(h) Any eligible employer under the transition program who employs nonimmigrant alien agricultural workers under the provisions of section 101(a)(15)(H)(ii)(a) shall provide wages and working conditions as required by section 214(c)(2)(A)(ii) to all similarly employed workers of that employer.

(i) Agreement by an alien to be a transitional worker would not preclude that alien from eligibility under the legislation provisions of title III.

(j) The Attorney General may require by regulation, as a condition of participation by an employer in the transition program, the payment of a fee to recover the reasonable costs of processing registrations under the transition program.

Mr. DECONCINI. Mr. President, it is my understanding that next week when this is resumed, the Senator from California intends to offer an amendment to that which will be debated in accord with the time agreement, and that there will be a vote, if necessary, on my amendment. Is that the chairman's understanding?

Mr. SIMPSON. That is my understanding of the situation.

Mr. DECONCINI. I thank the Senator for accommodating this Senator, as well as the Senator from Massachusetts accommodating me. I also appreciate the efforts of the Senator from California. I know he has some reservations on my amendment but he will have an opportunity to clarify that.

The PRESIDING OFFICER. The Senator from California.

Mr. WILSON. I thank the Chair.

Mr. President, I will be taking up the amendment of Senator DECONCINI on Tuesday. I do have a perfecting amendment to the DeConcini-Wilson amendment which I will put across the desk at this time. It is not my intention to lay it down today. Rather, in order to accommodate the Senator from Wyoming, I would simply lay the amendment down and we will then reserve debate on it until the appropriate time when we will be taking up the DeConcini amendment on Tuesday. Is that agreeable to the managers of the legislation?

The PRESIDING OFFICER. That would take a unanimous-consent request, or after yielding back all time on the DeConcini amendment or after the time has expired.

Mr. WILSON. Then I make a request by unanimous consent.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from California?

Mr. SIMPSON. Mr. President, if I may say, the Senator from Arizona has a modified amendment which he has laid down and which will be the first order of business. That will be managed by Senator WILSON since Senator DECONCINI will not be present. Senator WILSON has a per-

fecting amendment. It would be all right to have a rollcall vote on the Wilson amendment to the DeConcini amendment, as modified, and then come back to the DeConcini amendment on a rollcall vote.

Mr. DECONCINI. If the Senator will yield, after the Wilson amendment is disposed of, if unanimous consent is granted, and I have no objection to it, if there is a necessity for a rollcall vote on the DeConcini-Wilson amendment I will leave up to the managers of the bill.

Mr. SIMPSON. That will be perfectly appropriate.

Mr. DECONCINI. It is in order now.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request of the Senator from California? If not, without objection it is so ordered.

The Senator from Massachusetts.

Mr. KENNEDY. First of all, Mr. President, I want to express my appreciation to the Senator from Arizona for the work he has done in this area. He has taken a very keen interest on the issue of immigration reform and he has been very mindful of the needs of the people that he represents. I think those of us who follow this issue closely know of the very conflicting interests which are present not only in the State of Arizona but in many of the areas of this country where there are large agricultural communities.

I want to express both my appreciation and admiration of the Senator from Arizona for the way he has addressed this issue, and to again thank the Senator from Wyoming and the other interested groups that represented both the growers as well as the workers on this important issue.

It is my intention at the appropriate time to support the DECONCINI compromise. I must say I will do so, and I do not have any hesitation in doing so, although I am mindful that in this legislation there have been some rather important changes in the H-2 provisions which were included in the pending bill and which I do feel may very well threaten the protection for American workers in this area.

However, this amendment has been worked out over many weeks of discussion and compromise—which I have been pleased in joining with my colleagues from Arizona and Wyoming in promoting. I have done so because I am aware of the legitimate concerns of the agricultural growers of this country—especially those in the West who will be most affected by the new provisions contained in this legislation. I have also done so because I share the concerns of the American labor movement that we must not weaken the labor standards or protections of our law toward agricultural workers, either those here under temporary H-2 visas or for those Americans who are seasonal agricultural workers.

I believe the DeConcini amendment, as modified, will provide a transition period that is necessary to allow growers a reasonable opportunity to adjust to the new requirements of this legislation—both the employer sanctions provisions as well as the new H-2 temporary worker program.

There has been an understandable concern on the part of many agricultural employers that it will take them some period of time to adjust to these provisions—since under existing law they have tacitly been encouraged to hire undocumented aliens.

This amendment will allow a 3-year transition period, with important labor protections, for agricultural employers to implement the new law. It will serve as an encouragement for them to abide by the law, and make it easier for them to do so.

It provides for an orderly phase-down over 3 years of all undocumented aliens currently on the payroll of agricultural employers, requiring that these numbers be reduced by one-third each year, over the 3-year period—with the program ending at the end of 3 years. During this period the transitional workers would receive the same benefits and protections of H-2 temporary workers.

This will allow employers a period to both hire American workers as well as to apply for temporary workers if they cannot find American workers. It will do so without violating and compromising American labor laws or standards.

Mr. President, although I have supported the effort to reach this compromise over the amendment offered by Senator DECONCINI, I have, as I said at the outset, deep reservations over the other H-2 provisions contained in this legislation.

As last year, I believe these changes represent a serious erosion of existing labor protections and standards. Taken together, these changes will:

Delete the existing reference to nationwide recruitment before H-2 workers can be hired;

Prohibit U.S. workers from seeking terms above the minimum Department of Labor minimum wages;

Authorizes multicrop associations to be the sole employer, relieving important responsibilities from individual growers; and

Transfer final rulemaking authority on the H-2 program from the Secretary of Labor to the Attorney General, with statutory involvement of the Secretary of Agriculture for the first time.

Again, Mr. President, taken together, these and other changes in the existing H-2 program represent a step backward in our Nation's attempt to establish greater wage and labor standards for both American and foreign temporary workers.

Mr. President, I have had a preliminary discussion with the Senator from California (Mr. WILSON) who has taken a great interest in this issue as well, and who I know has given a good deal of time and attention to it. I must say I also have some serious reservations about his proposal, but I will look forward to the opportunity of debating that matter more completely on Monday, perhaps, with the final disposition on Tuesday.

Again, I think the time that we have had since this legislation was initially laid down has been used well. We have been able to address, I think in a very responsible way, some key matters which were then unresolved. I would hope that that spirit would continue through the rest of the debate.

Again, I look forward to joining with my colleague, the Senator from Wyoming, in addressing the rest of the amendments on Monday and hope and expect that we will get final disposition of the legislation on Tuesday.

I welcome the agreement of the Senator from Wyoming for a thorough and complete debate on one of the very important remaining items, and that is the issue of asylum judicial review. I believe we have been given assurances that we will have a 2-hour debate on that issue, 1 hour on each side. I know a number of my colleagues are very interested in that question. I would intend to offer that amendment after the disposition of the stacked rollcall votes. I would urge that those Members of the Senate who want to participate in that debate be prepared to do so on Tuesday afternoon.

Mr. SIMPSON. Mr. President, I thank my colleague from Massachusetts.

I pay particular tribute to Senator DECONCINI for what he has done, working doggedly to provide the agricultural growers of America with a transitional labor force which I have the same feelings about as Senator KENNEDY, that it is something that must not impinge upon legal workers in the United States. But after decades of tacitly permitting agricultural employers to use alien agricultural labor they have quite lawfully become dependent upon them, and lawfully so.

So, we are trying to wean them off, so to speak, from the illegal work force. I think this will do it and will actually assist in the enforcement of the employer sanction provisions of the bill by accommodating the growers as they become familiar with the H-2 program.

I look forward to the Monday activity and look forward, as always, to working with Senator KENNEDY. I commend Senator DECONCINI on a thoughtful approach to what has been one of the toughest issues we have had

on the question of immigration reform.

I thank the Chair.

Mr. MELCHER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAKER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered

THE CALENDAR

Mr. BAKER. Mr. President, I have four items on my calendar that appear to be cleared for action by unanimous consent.

May I inquire of the minority leader if he is in a position to similarly consider S. 884, Senate Resolution 133, Senate Resolution 90, and Senate Concurrent Resolution 24.

Mr. BYRD. Mr. President, this side of the aisle is ready to proceed.

Mr. BAKER. I thank the Senator.

Mr. President, I ask unanimous consent that the Senate proceed to the consideration of the items just enumerated.

The PRESIDING OFFICER. Without objection, it is so ordered.

USE AND DISTRIBUTION OF CERTAIN INDIAN JUDGMENT FUNDS

The Senate proceeded to consider the bill (S. 884) to provide for the use and distribution of funds awarded the Red Lake Band of Chippewa Indians in docket No. 15-72 of the U.S. Court of Claims; which had been reported from the Select Committee on Indian Affairs with amendments, as follows:

On page 3, line 1, strike "3.", and insert "2.";

On page 3, line 14, strike "4.", and insert "3.";

So as to make the bill read:

S. 884

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That notwithstanding any provision of the Act of October 19, 1973 (87 Stat. 466; 25 U.S.C. 1401, et seq.), or any other law, regulation, or plan promulgated pursuant thereto, the funds appropriated with respect to the judgment awarded the Red Lake Band of Chippewa Indians in docket numbered 15-72 of the United States Court of Claims (less attorney fees and litigation expenses), including all interest and investment income accrued thereon, shall be distributed and used as follows:

(1) Eighty per centum of such funds shall be distributed by the Secretary of the Interior (hereinafter in this Act referred to as the "Secretary") in the form of per capita payments (in sums as equal as possible) to all enrolled members of the Red Lake Band of Chippewa Indians who are living on the date of enactment of this Act.

(2) Twenty per centum of such funds, including any interest or income accrued thereon, shall be—

(A) held in trust and invested by the Secretary for the benefit of the members of the Red Lake Band of Chippewa Indians, and

(B) distributed from such trust, subject to the approval of the Secretary, to the governing body of such tribe for the purpose of making expenditures to meet common tribal needs or educational requirements.

SEC. 2. (a) Any payment of a per capita share of funds to which a living, competent adult is entitled under this Act shall be paid directly to such adult.

(b) Any per capita share of funds to which a deceased individual is entitled under this Act shall be paid, and the benificiaries thereof determined, under regulations prescribed by the Secretary.

(c) Any per capita share of funds to which a legally incompetent individual under eighteen years of age is entitled under this Act shall be paid in accordance with such procedures (including the establishment of trusts) as the Secretary determines to be necessary to protect the interests of such individuals.

SEC. 3. None of the funds distributed under this Act shall be—

(1) subject to Federal, State, or local income taxes, or

(2) considered income or resources in determining either eligibility for, or the amount of assistance under, Federal State, or local programs.

The amendments were agreed to.

The bill was ordered to be engrossed for a third reading, read the third time, and passed.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

SOLIDARITY SUNDAY

The Senate proceeded to consider the resolution (S. Res. 133) to express the sense of the Senate on support of "Solidarity Sunday."

The resolution was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 133

Whereas on May 22, 1983, the eighty-five constituent agencies of the Greater New York Conference on Soviet Jewry will sponsor the twelfth annual "Solidarity Sunday for Soviet Jewry" to reaffirm their resolve to secure freedom for Soviet Jews and beleaguered people everywhere; and

Whereas Americans of all faiths will join with the Conference in myriad activities on that day in expression of their solidarity with the almost three million Jews in the Soviet Union; and

Whereas the right to emigrate freely and to be reunited with their families abroad is being denied Jews and others in the Soviet Union; and

Whereas the Universal Declaration of Human Rights adopted by the General Assembly of the United Nations and the Helsinki Final Act clearly recognize those rights; and

Whereas the Government of the Soviet Union has implemented restrictive measures sharply reducing the number of people permitted to emigrate, bringing Jewish emigration from the Soviet Union to a virtual halt; and

Whereas the Government of the Soviet Union is persecuting its Jewish citizens and denying them even those rights and privileges accorded other recognized religions in the Soviet Union; and

Whereas the Government of the Soviet Union discriminates against Jewish cultural activities by banning and suspending Hebrew and Jewish cultural classes, by threatening Hebrew teachers, and by intimidating all Soviet Jews who seek only to practice their religion; and

Whereas leading Soviet Jewish activist and cultural figure, Mr. Anatoly Shcharansky, who was arrested in March of 1977 and falsely charged with espionage and "anti-Soviet agitation", continues to suffer exceptionally harsh treatment in Chistopol Prison; and

Whereas a virtulent anti-Semitic campaign continues unabated in the Soviet press and Soviet Jews are increasingly deprived of occupational and educational opportunities; and

Whereas thousands of innocent Jews and other persons, after applying to leave the Soviet Union, have been subjected to illegal induction into the armed forces, incarceration in mental institutions, expulsion from school and constant surveillance and harassment; and

Whereas the Government of the Soviet Union will not succeed in isolating Soviet Jews from their friends in the free world so long as those who cherish liberty continue to speak on behalf of beleaguered people everywhere; and

Whereas "Solidarity Sunday for Soviet Jewry" will serve as a vigorous expression of American determination to secure freedom for Soviet Jewish Prisoners of Conscience incarcerated solely because of their desire to emigrate, and veteran refuseniks who have awaited exit visas for as many as fourteen years; and

Whereas the Government of the Soviet Union refuses to permit the free exercise of religious beliefs and cultural expression and also refuses to remove all obstacles to the free emigration of its Jewish citizens and others who wish to leave and live in other countries: Now, therefore, be it

Resolved, That it is the sense of the Senate that the Congress supports "Solidarity Sunday for Soviet Jewry" in an effort to achieve these goals and encourages Americans to participate.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

RELEASE OF ANATOLY SHCHARANSKY

The resolution (S. Res. 90) expressing the sense of the Senate that the Soviet Government should immediately release Anatoly Shcharansky and allow him to emigrate, was considered, and agreed to.

The amendments to the preamble were agreed to.

The preamble, as amended, was agreed to.

The resolution, and the preamble, as amended, are as follows:

S. RES. 90

Whereas Anatoly Shcharansky, an eminent Soviet computer scientist, has been a leader of the Moscow Jewish community since 1973 when he first applied for and was denied permission to emigrate to Israel;

Whereas the Government of the Soviet Union has engaged in a systematic campaign of harassment and intimidation against Anatoly Shcharansky, culminating in his arrest in March 1977 on trumped-up charges of treason;

Whereas in July 1978, after sixteen months of being detained incommunicado, Anatoly Shcharansky was tried and sentenced to thirteen years of imprisonment;

Whereas since his conviction Anatoly Shcharansky has been subject to extremely harsh prison treatment, including isolation, severe cold, and inadequate food, sleep, and health care, resulting in a deterioration of his health;

Whereas from September 26, 1982, to January 14, 1983, Anatoly Shcharansky undertook a hunger strike to protest the severe prison conditions which have further harmed his health;

Whereas Anatoly Shcharansky symbolizes the plight of Soviet Jewry whose level of emigration is at its lowest point in a decade and who is increasingly harassed by Soviet authorities; and

Whereas by its treatment of Anatoly Shcharansky and others, the Soviet Union is violating its international obligations, including its obligations under the Universal Declaration of Human Rights, the International Covenant of Civil and Political Rights, and the Helsinki Final Act of the Conference on Security and Cooperation in Europe: Now, therefore, be it

Resolved, That it is the sense of the Senate that—

(1) the Government of the Union of Soviet Socialist Republics should immediately release Anatoly Shcharansky from prison and allow him to emigrate; and

(2) the President and the Secretary of State should, at every suitable opportunity and in the strongest terms, express to the Government of the Union of Soviet Socialist Republics the opposition of the United States to the imprisonment of Anatoly Shcharansky.

SEC. 2. The Secretary of the Senate shall trasmit a copy of this resolution to the President with the request that the President transmit such copy to the Ambassador of the Soviet Union to the United States.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OLDER AMERICANS MONTH

The Senate proceeded to consider the concurrent resolution (S. Con. Res. 24) expressing the sense of the Congress that the people of the United States should observe the month of May 1983 as Older Americans Month.

Mrs. HAWKINS. Mr. President, I rise to support a Senate concurrent resolution to designate the month of May as Older Americans Month.

To recognize the valuable contributions of the elderly to our country, it has become a tradition in Congress to designate May as "Older Americans Month," a time to pay tribute to our Nation's senior citizens.

It is not enough simply to recognize their accomplishments, however; we must reaffirm our commitment to protecting the rights of the elderly and to enhancing their opportunities for purposeful participation in our society—which is what truly gives meaning to life.

The elderly are the fastest growing segment of America's population. Today, one in nine Americans is a senior citizen. By the turn of the century, that figure will be one in six. In Florida, which has the highest number of elderly residents in the Nation, 17 percent of the population is already over age 65, and that percentage is growing rapidly.

These figures add up to a powerful impact on our society. Often, we concentrate only on the problems of the elderly, such as the increasing need for housing or long-term medical care. Certainly, these issues must be addressed. But the happy fact is that only a small percentage of America's elderly are bedridden or confined to institutions.

Most senior citizens lead active and productive lives, most are self-reliant, and most own and maintain their own homes. Older Americans today are better educated, healthier, and more financially secure than ever before. They are more independent, more active in the workforce and in volunteer service, and more politically influential than in the past.

Our President is a senior citizen. Many Congressmen are senior citizens. Some of our most beloved stage and screen stars—people like George Burns, Helen Hayes, and Bob Hope—are senior citizens. James Beard—as familiar a name as Betty Crocker—turned 80 this month. But we must also recognize the contributions and accomplishments of all our elderly, not just the well known. Senior citizens from all walks of life make valuable contributions to such important programs as ACTION, VISTA, SCORE, the Foster Grandparents program, and many other volunteer programs. Programs for senior citizens in this country could not survive without the thousands of senior volunteers who contribute to their success.

The ability and willingness of the elderly to continue to work and contribute to the quality of American life is very encouraging. Nevertheless, we must insure that our retirement, health, employment, and housing programs are flexible enough to adapt to this changing population. We should not see it as a problem or a burden. Instead, our Nation's elderly should be regarded as the vast natural resources of experience and expertise that they are. During Older Americans Month, we should reflect on the fact that the wisdom of age is a gift money cannot buy and one that we as a nation must be careful not to squander.

So this May, as we meet to honor older americans, we should honor and pay tribute to them not just for their past achievements, but for the ongoing contributions that they are making to improve the quality of American life.

Mr. DOMENICI. Mr. President, I am pleased to be sponsoring this concurrent resolution. The observance of the month of May as Older Americans Month serves several important purposes.

First, it gives us an opportunity to express appreciation for the achievements of senior citizens. We must not forget that this group has been responsible for the growth and the success of the United States in the 20th century. Older Americans continue to make important contributions to our Nation and to the communities in which they live. I know few people, for example, who can equal the energy and efficiency which Ann Beckman of Albuquerque brings to her job. Mrs. Beckman usually places over 100 senior citizens in positions each month. She is but one illustration of the many senior citizens in New Mexico who are involved in the development of our State.

It is critical that older Americans maintain a highly active role in our daily life. I am convinced that we need their insights and their experiences to solve the problems that we face today.

In turn, our society must provide opportunities for growth and increasing independence among the elderly. Various surveys show that income security and affordable health care are now among the chief concerns of senior citizens. Congress should use the month of May to review its agenda with respect to these critical issues. We have gone a long way in assuring the financial stability of retirees by passing in Social Security Amendments of 1983. We must also take responsible action to retain the solvency of our health insurance trust fund and to contain rising health care costs. In short, I think there is more work which must be done.

Finally, I hope we will take time during this next month to reflect upon the fact that America today is an aging society. The older population is growing more rapidly than the rest of the population. While 11 percent of all Americans were age 65 or older in

1982, this number will increase to 19 percent by 2025. By 1990,. the ratio of people over age 65 to those under 65 will probably be 1 to 8; by 2025, it will be 1 to 5. We must prepare for all of these developments. I believe that only by planning wisely now can our public policy successfully accomodate these events. Older Americans Month should be marked by serious attention to these trends.

The concurrent resolution was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 24

Whereas older Americans have contributed many years of service to their families, their communities, and the Nation;

Whereas the population of the United States is comprised of a large percentage of older Americans representing a wealth of knowledge and experience;

Whereas acknowledgement should be given to older Americans for the contributions they continue to make to their communities and the Nation; and

Whereas many States and communities provide such acknowledgement of older Americans during the month of May: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That in recognition of—

(1) the traditional designation of the month of May as "Older Americans Month" by the President of the United States, and

(2) the repeated expression by the Congress of its appreciation and respect for the achievement of older Americans and its desire that these Americans continue to play an active role in the life of the Nation, it is the sense of the Congress that the people of the United States should observe Older Americans Month with appropriate programs, ceremonies, and activities.

Mr. BAKER. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AUTHORIZING TESTIMONY OF VINCE THOMAS

Mr. BAKER. Mr. President, on behalf of myself and the distinguished minority leader, I send to the desk a resolution to authorize testimony of Vince Thomas in a matter pending in the U.S. District Court for the Eastern District of Michigan. I ask unanimous consent that the Senate proceed to the consideration of the resolution.

The PRESIDING OFFICER. The resolution will be stated by title.

The legislative clerk read as follows:

A resolution (S. Res. 141) to authorize the testimony of Vince Thomas.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the resolution was considered and agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

S. RES. 141

Whereas, in the case of *Quintus L. Greene v. The Wayne County Economic Development Corporation, et al.,* No. 81-74813, pending in the United States District Court for the Eastern District of Michigan, the testimony of Vince Thomas, a staff employee of Senator Carl Levin, has been requested concerning the Metropolitan Growth and Development Corporation and the Metropolitan Growth and Development Fund;

Whereas, by the privileges of the Senate of the United States no evidence under the control or in the possession of the Senate can be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony of a staff employee of the Senate is needful for use in any case for the promotion of justice, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate; Now, therefore be it

Resolved, That Vince Thomas is authorized to appear and testify in this case concerning the Metropolitan Growth and Development Corporation and the Metropolitan Growth and Development Fund.

S. 529—IMMIGRATION BILL

AUTHORIZATION FOR D'AMATO AMENDMENT

Mr. BAKER. Mr. President, I ask unanimous consent that in connection with the consideration of S. 529, the immigration bill, an amendment to be offered by the distinguished Senator from New York (Mr. D'AMATO) dealing with imprisoning aliens be added to the list of qualified amendments appearing in the order previously entered; that the time for debate on that measure be limited to 30 minutes, equally divided, and that the provisions of paragraph 4 of rule XII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

FOUNDATION FOR THE ADVANCEMENT OF MILITARY MEDICINE

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 653.

The PRESIDING OFFICER laid before the Senate the following mesage from the House of Representatives:

Resolved, That the bill from the Senate (S. 653) entitled "An Act to amend title 10, United States Code, to establish a Foundation for the Advancement of Military Medicine, and for other purposes", do pass with the following amendments:

(1) Page 2, line 22, after "Representatives", insert: *(or their designees from the membership of such committees)*

(2) Page 5, line 18, strike out [(1)].

(3) Page 5, strike out lines 21 and 22.

Mr. JACKSON. Mr. President, I am very pleased to support S. 653, a bill establishing the Foundation for the Advancement of Military Medicine, as amended by the House. This bill was originally introduced in the Senate on March 2, 1983, by Senator TOWER and myself, and was passed by the full Senate on March 23.

The House of Representatives passed S. 653 on May 9, 1983. In passing this bill, the House made two amendments to the Senate bill which I support and which I want to describe briefly for my colleagues.

The version of S. 653 passed by the Senate named the chairman and ranking minority member of the House and Senate Armed Services Committees to serve on the Council of Directors of the Foundation. The first amendment made by the House allows the chairman and ranking minority member of the House and Senate Armed Services Committees to designate another member of their respective committees to serve in their place on the Council of the Foundation. Any such designation is intended to be completely at the discretion of the chairman or ranking minority member.

The second amendment by the House to the original Senate bill deleted proposed subsection (h)(2) of section 178 of title 10, United States Code. This provision of the Senate-passed bill stated that:

No part of the compensation paid to an employee of the Foundation may be paid from Federal funds.

The House deleted this provision from S. 653 on the grounds that it was superfluous, since subsection (h)(1) of new section 178 of title 10, United States Code clearly states that:

A person who is a full-time or part-time employee of the Federal government may not be an employee (full-time or part-time) of the Federal government.

Thus, even with the House amendment, it is clear that the Foundation will be completely independent of the Federal Government and will not be supported by direct Federal expenditures.

Deleting this provision also clarifies a question raised after the Senate-passed S. 653. The Senate Armed Services Committee fully intended that employees of the Foundation would be able to compete for grants and contracts from the Federal Government as well as from private foundations. The House deletion of subsection (h)(2) of section 178 will avoid any interpretation of the law that might impede the Foundation or its employees from competing for and receiving grants from the Federal Government to support their work.

After the Senate approved S. 653, there were some discussions in the House about expanding the membership of the Foundation's Council of Directors from the nine members stipulated in the Senate-passed bill. I am pleased that the House decided to retain the nine-member Council of Directors recommended by the Senate.

The composition of the Council of Directors insures that the Congress, through the Armed Services Committees of both Houses, will be involved in the purposes, direction, and supervision of the Foundation. If necessary, there is nothing in S. 653 to preclude the Council from establishing an advisory group or honorary board to advise or assist the Council in addressing particular needs of the Foundation.

Mr. President, I believe that the Foundation for the Advancement of Military Medicine established by S. 653 will make an important contribution to the unique role of the Uniformed Services University of the Health Sciences. The Foundation will allow interested members of the public, without Government expenditures, to become involved in medical advances for the uniformed services through donations and legacies which will support important research, teaching, and services in military medicine. The Foundation will also make a useful contribution toward enhancing cooperation and communication between the military and civilian medical communities.

I want to thank Senator TOWER, who joined me in originally introducing S. 653, and Senator JEPSEN, Senator THURMOND, Senator EXON, Senator LEVIN, and Senator KENNEDY for joining as cosponsors. I also want to thank my colleagues in the House—Chairman PRICE, Congressman STRATTON, Congressman ASPIN, Congressman MONTGOMERY, and Congressman HILLIS—for their efforts in addressing S. 653 at a very busy time in the legislative year.

I urge my colleagues to join me in supporting this bill as amended by the House.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection, it is so ordered.

INCREASE IN MEMBERSHIP OF THE CONGRESSIONAL AWARD BOARD

Mr. BAKER. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 957.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 957) entitled "An Act to provide for an increase in the number of members of the Congressional Award Board, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That (a) subsection (a) of section 4 of the Congressional Award Act (Public Law 96-114; 2 U.S.C. 803(a)) is amended—

(1) by striking our "seventeen" in the matter preceding the colon in paragraph (1) and inserting in lieu thereof "thirty-three";

(2) by striking out "Four" in clauses (A), (B), (C), and (D) of paragraph (1) and inserting in lieu thereof "Eight"; and

(3) by striking out "or the Committee for the Establishment and Promotion of the Congressional Award" in paragraph (2).

(b) Subsection (b) of section 4 of such Act (2 U.S.C. 803(b)) is amended—

(1) by striking out "Appointed" at the beginning of such subsection and inserting in lieu thereof "Except as provided in paragraph (2), appointed";

(2) by inserting at the end thereof the following new paragraph:

"(2) Individuals appointed to the Board after March 31, 1983, shall serve for terms of two years."; and

(3) by inserting "(1)" after "(b)", and by redesignating paragraphs (1), (2), and (3) as subparagraphs (A), (B), and (C), respectively.

SEC. 2. Notwithstanding the provisions of section 4 of the Congressional Award Act (2 U.S.C. 803), relating to the terms of individuals appointed to the Congressional Award Board, the sixteen additional members to be appointed to the Board pursuant to the amendments made by the first section of this Act shall be appointed for terms as follows:

(1) Six members shall be appointed for terms of two years.

(2) Five members shall be appointed for terms of four years.

(3) Five members shall be appointed for terms of six years.

Thereafter such members shall be appointed for terms of two years.

Mr. BAKER. Mr. President, I move that the Senate concur in the House amendments.

The PRESIDING OFFICER. Without objection it is so ordered.

COMMITTEE TO BE DISCHARGED FROM FURTHER CONSIDERATION OF SENATE RESOLUTION 95

Mr. BAKER. Mr. President, I ask unanimous consent that once the Finance Committee has reported Senate Resolution 95, a resolution to express the sense of the Senate that the President initiate negotiations on a new long-term agreement on agricultural trade with the Soviet Union, the Committee on Agriculture, Nutrition, and Forestry be discharged from further consideration of that measure.

The PRESIDING OFFICER. Without objection, it is so ordered.

CHANGE IN REFERRAL OF S. 338

Mr. BAKER. Mr. President, I ask unanimous consent that the agreement of February 2, 1983, the sequential referral of S. 338 to the Committee on Armed Services be modified by deleting the date June 15, 1983, in the agreement and inserting in lieu thereof the date June 30, 1983.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY—EASTERN PACIFIC OCEAN TUNA FISHING AGREEMENT

Mr. BAKER. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Eastern Pacific Ocean Tuna Fishing Agreement (Treaty Document 98-3), transmitted to the Senate on May 11, 1983, by the President of the United States; and ask that the treaty be considered as having been read the first time; that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed; and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I transmit herewith, for the advice and consent of the Senate to ratification, the Eastern Pacific Ocean Tuna Fishing Agreement which has been signed by the United States, Costa Rica, and Panama. It will enter into force following ratification by five coastal States of the region. Also transmitted for the information of the Senate is the report of the Department of State with respect to the Treaty.

The United States has been involved in a fisheries dispute with several Latin American countries as a result of conflicting laws regarding jurisdiction over highly migratory tuna and has, in the past, prohibited imports of tuna from several countries as a result of seizures of U.S. tuna boats. These countries claim jurisdiction over all fish, including tuna, within 200 nautical miles. The United States does not recognize, or claim, jurisdiction over tuna beyond 12 nautical miles. United States policy, pursuant to the Magnuson Fishery Conservation and Management Act, has been to negotiate international agreements to ensure the effective conservation and management of tuna and to secure access for U.S. fishermen to the stocks wherever they migrate beyond a narrow belt of coastal waters.

This Agreement, which is interim in nature pending the negotiation of a comprehensive tuna conservation and management regime, provides for the issuance of international licenses for fishing tuna in a broad area of the eastern Pacific Ocean. Provision is also made for conservation under specified circumstances. It thus furthers U.S. fisheries policy goals while reducing tensions that have arisen as a result of conflicting juridical claims.

I recommend that the Senate give early consideration to the Treaty and

give its advice and consent to ratification.

RONALD REAGAN.

THE WHITE HOUSE, *May 11, 1983.*

ORDER FOR THE SENATE TO CONVENE AT 11:30 A.M. ON MONDAY

Mr. BAKER. Mr. President, it has been brought to my attention that we have two special orders on Monday as well as the time allocated to the two leaders under the standing order and 30 minutes of morning business. Also, an order has been entered by the Senate to proceed to the consideration of the Ruckelshaus nomination in executive session at 1 p.m.

I am afraid that, in the parlance of the Budget Committee, that is not mathematically consistent, meaning that we do not have enough time to do all those things.

Therefore, I ask unanimous consent that the convening hour on Monday next be changed from 12 noon to 11:45 a.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BYRD. Mr. President, will the distinguished majority leader get me an extra 10 minutes on Monday?

Mr. BAKER. I will be pleased to do that.

Mr. President, I ask unanimous consent that on Monday next, the Senate convene at 11:30 a.m.

I further ask unanimous consent that on Monday, the time of the distinguished minority leader under the standing order be extended from 10 to 20 minutes.

Mr. BYRD. I thank the majority leader.

Mr. BAKER. Any time remaining after the execution of the two standing orders will be devoted to the provision of additional time for the transaction of routine morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADJOURNMENT UNITL 11:30 A.M. MONDAY, MAY 16, 1983

Mr. BAKER. Mr. President, I believe that clears the deck. I do not see any other Senator seeking recognition. I have a sneaking hunch the minority leader and I are the only two Senators left.

Therefore, I move in accordance with the order previously entered the Senate stand in adjournment until 11:30 a.m. on Monday next.

The motion was agreed to; and at 5:29 p.m., the Senate adjourned until Monday, May 16, 1983, at 11:30 a.m.

NOMINATIONS

Executive nominations received by the Senate May 12, 1983:

IN THE AIR FORCE

The following Air National Guard of the United States officers for promotion in the Reserve of the Air Force under the provisions of section 593(a) title 10 of the United States Code, as amended:

LINE OF THE AIR FORCE

To be lieutenant colonel

Maj. Jacob C. Armstrong Jr., [redacted]
Maj. James W. Byram, [redacted]
Maj. Theodore M. Demars, [redacted]
Maj. Richard G. Farmer, [redacted]
Maj. Thomas C. Garell, [redacted]
Maj. Steven V. Harper, [redacted]
Maj. Jon C. Heaton, [redacted]
Maj. Gary K. Holt, [redacted]
Maj. Jack T. Knight, [redacted]
Maj. Harold D. May, [redacted]
Maj. Rudolph W. Morgan, [redacted]
Maj. Robert J. Opela, [redacted]
Maj. Edward S. Shaw, [redacted]
Maj. Herbert D. Wright, [redacted]
Maj. John G. Zenan Jr., [redacted]

CHAPLAIN

Maj. Joseph H. Penkaul, [redacted]

LEGAL

Maj. Stephen L. Gallagher Jr. [redacted]

MEDICAL CORPS

Maj. Robert D. Wendel, [redacted]

IN THE ARMY

The following-named officers for appointment in the Regular Army of the United States, in their active duty grades, under the provisions of title 10, United States Code, sections 531, 532, 533:

JUDGE ADVOCATE GENERAL'S CORPS

To be majors

Baxley, George C., [redacted]
Mac Argel, Donald T., [redacted]
Zijlstra, Eduard T., [redacted]

To be captains

Borch, Frederic L., III, [redacted]
Boudreau, Debra L., [redacted]
Buchholz, Ronald J., [redacted]
Butler, Robert M., [redacted]
Contento, Denise P., [redacted]
Cunningham, Patrick J., [redacted]
Defranco, Rosemary, [redacted]
Dickey, Gene A., [redacted]
Donawick, Peter M., [redacted]
Dubia, Donald H., [redacted]
Elliott, James W., [redacted]
Farenish, John M., [redacted]
Feller, Robert C., [redacted]
Fitzpatrick, John M., [redacted]
Glazier, Nancy D., [redacted]
Graham, Michael D., [redacted]
Hancock, George L., Jr., [redacted]
Harvey, Mark W., [redacted]
Heuer, Ronald K., [redacted]
Kelleher, Michael J., [redacted]
Lloyd, Robert B., Jr., [redacted]
Long, John L., [redacted]
Mac Kay, Scott W., [redacted]
McFetridge, Robert C., [redacted]
McMahan, Linda M., [redacted]
Milhizer, Eugene R., [redacted]
Morris, John R., [redacted]
Motz, Patricia A., [redacted]
Pelletier, Richard A., [redacted]
Phillips, Dennis L., [redacted]
Rheinheimer, Edward G., [redacted]
Richmond, Henry R., [redacted]
Rob, Samuel J., [redacted]
Romano, Michael J., [redacted]
Santerre, Elyce K., [redacted]
Saufley, Jeffrey O., [redacted]
Saunders. Raymond M., [redacted]
Schmidli, James D., [redacted]
Smith, Robert M., Jr., [redacted]
Taylor, Gregory, [redacted]
Thebaud, Charles C., Jr., [redacted]
Trimble, Dan, [redacted]
Venema, William H., [redacted]
Vowell, Denise K., [redacted]
Waldrop, Michael D., [redacted]
Wiesner, Vivian B., [redacted]
Wilbanks, James C., [redacted]
Williams, Harry L., Jr., [redacted]
Wilson, William T., [redacted]
Wittman, Craig P., [redacted]
Woodruff, Joseph A., [redacted]
Wright, Douglas R., [redacted]